THE WALL STREET JOURNAL.

DOW JONES | News Corp * * * * * MONDAY, NOVEMBER 28, 2022 ~ VOL. CCLXXX NO. 126 WSJ.com ★★★★ $5.00

Last week: **DJIA** 34347.03 ▲ 601.34 1.8% **NASDAQ** 11226.36 ▲ 0.7% **STOXX 600** 440.73 ▲ 1.7% **10-YR. TREASURY** ▲ 31/32, yield 3.701% **OIL** $76.28 ▼ $3.80 **EURO** $1.0400 **YEN** 139.19

What's News

Business & Finance

Adidas AG's CEO and senior leaders in Germany discussed as far back as four years ago the risk of continuing a relationship with Kanye West that they feared could blow up at any moment. **A1**

◆ **Bankman-Fried's** multimillion-dollar Washington charm offensive revolved around the CFTC and senators with whom the FTX founder found common cause in a bid for light-touch regulation of digital assets. **A1**

◆ **"Strange World"** became the second consecutive Disney animated film to bomb at the box office, collecting only $18.6 million since opening Wednesday. **B1**

◆ **Black Friday store** traffic rose from 2021 levels, but some shoppers spent cautiously as inflation weighs on pocketbooks. **B1**

◆ **Some investors** expect lackluster earnings to send stocks lower this week as the market awaits results from Salesforce, Dollar General and other companies. **B1**

◆ **Potash mines near** oil and natural-gas reserves are holding back Exxon's development of a key asset in the Permian Basin. **B1**

◆ **Six casino operators** in Macau won provisional licenses to continue operating in the Chinese gambling hub for the next 10 years. **B3**

◆ **Ticketmaster's** recent Taylor Swift tour fiasco prompted renewed calls to investigate the 12-year-old merger of the company and promoter Live Nation. **B4**

World-Wide

◆ **Protests erupted** in major cities in China over Xi's zero-tolerance approach to Covid-19, an unusual show of defiance there as the economic and social costs from snap lockdowns and other strict curbs escalate. **A1**

◆ **Ukrainian officials** said they managed to restore most of the electricity to Kyiv, even as Russian strikes hit cities across southern Ukraine and intense fighting continued in the country's eastern Donetsk region. **A6**

◆ **U.S. government** and congressional officials fear the conflict in Ukraine is exacerbating a nearly $19 billion backlog of weapons bound for Taiwan, further delaying efforts to arm the island as tensions with China escalate. **A9**

◆ **Canada called China** a "disruptive" global force that must be contained as Ottawa unveiled a revised policy framework for dealing with the Asia-Pacific region. **A9**

◆ **Lawmakers return** to work this week with a to-do list that includes passing a critical government-funding bill, solidifying access to same-sex marriage and setting priorities for the U.S. military before the start of the new Congress next year. **A4**

◆ **Somali security forces** were attempting to flush out armed assailants from a hotel in Mogadishu, police said, after the extremist group al-Shabab claimed responsibility for the attack. **A9**

JOURNAL REPORT
Wealth Management: How to be smart about RMDs. **R1-8**

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MARK R CRISTINO/SHUTTERSTOCK

Demonstrators marched through Beijing on Sunday night holding up blank sheets of paper, an allusion to censorship, as they protested the Chinese government's strict anti-Covid policies. 'Freedom,' many in the crowd chanted as police looked on.

Protests Spread in Challenge To Xi's Regime

Anger at Covid-19 lockdowns spills over in Beijing, Shanghai and other Chinese cities

Protests erupted in major cities in China over President Xi Jinping's zero-tolerance approach to Covid-19, an unusual show of defiance in the country as the economic and social costs from snap lockdowns and other strict restrictions escalate.

By Lingling Wei, Brian Spegele and Wenxin Fan

Demonstrations occurred throughout the weekend in both Beijing and Shanghai. According to eyewitness accounts, there were also protests in the eastern city of Nanjing and in Wuhan, the original center of the pandemic. Video footage and pho-

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◆ Xi pressured as economic fixes falter.......... A8

Top Adidas Officers Discussed Kanye West's Behavior in 2018

By Khadeeja Safdar And Inti Pacheco

Adidas AG's chief executive and senior leaders in Germany discussed as far back as four years ago the risk of continuing a relationship with Kanye West that they feared could blow up at any moment, according to people familiar with the matter and documents reviewed by The Wall Street Journal.

A 2018 presentation to members of the Adidas executive board, a group that included CEO Kasper Rorsted and the head of human resources, highlighted the risks for employees interacting with Mr. West and detailed mitigation strategies for the relationship with the Yeezy creator, including cutting ties with the rapper-turned-designer, documents show.

Instead of parting ways when concerns were raised, these people said, the senior executives had business-unit leaders share various proposals with Mr. West so Adidas could hang onto the Yeezy partnership, which analysts estimate accounted for 8% of annual sales.

These efforts to keep the Yeezy partnership occurred again in September when the Adidas executive board met to discuss Mr. West's latest public outbursts, the people said.

Mr. West, who legally changed his name to Ye, met with Adidas executives in mid-September and asked for more money and control over the Yeezy brand, according to people familiar with the meeting. During the meeting, he showed the Adidas executives a clip from an adult video and accused them of stealing his designs, these people said.

Soon after the meeting, the people said, Adidas agreed to some of Mr. West's demands: The company offered Mr. West the ability to sell Yeezy footwear directly to consumers and ownership of future designs as well as a cut of the

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FTX's Fall Halts Push For Light Oversight

By Paul Kiernan

WASHINGTON—Sam Bankman-Fried's multimillion-dollar Washington charm offensive revolved around a small financial regulator and a group of senators with whom the purported crypto billionaire found common cause in a bid for light-touch regulation of digital assets.

For FTX, the crypto exchange Mr. Bankman-Fried founded, the goal was to steer oversight of crypto into the hands of what was perceived to be a friendlier regulator than the Securities and Exchange Commission, which has been promising a more stringent approach.

His effort dovetailed with desires of other regulators and legislators to hold sway over a new, fast-growing industry. The Commodity Futures Trading Commission, which has had periodic turf battles with the SEC, wanted to expand its regulatory purview, while the Senate committee that oversees it saw a rare chance to carve out an expanded role for itself.

Then FTX collapsed. Legislation to provide light-touch regulation is on hold. The CFTC's dealings with FTX are drawing scrutiny. Mr. Bankman-Fried, once the friendly, confident face of crypto, is toxic. And crypto firms face the prospect of far stricter enforcement by the SEC.

Meanwhile, Mr. Bankman-Fried's ascent in Washington shows how, by doling out enough cash to politicians and interest groups, a 30-year-old in cargo shorts can win a seat at the table for critical policy debates.

So far, crypto is largely unregulated. But that state of play wasn't likely to last. The crypto market swelled to around $3 trillion in 2021, before crashing this year. Stunning gains drew in big-name institutional investors and hordes of individual investors. Even Wall Street began to engage with some crypto products.

With crypto becoming more intertwined with traditional markets, policy makers grew concerned about the risks it posed to investors and the broader financial system.

The crypto industry began a concerted lobbying effort to influence the debate. In the U.S., the key question is which regulatory agency—the CFTC or the

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INSIDE

TOLGA BOZOGLU/EPA/SHUTTERSTOCK

SPORTS
Superstar Neymar is out, and World Cup favorite Brazil is worried. **A14**

BUSINESS & FINANCE
'Strange World' misfires, as Disney's animation is added to Iger's to-do list. **B1**

Puerto Rico's Power Failures Worsen After Private Takeover

Blackouts have gotten longer and prices keep rising. Defenders say the company inherited a disaster after years of mismanagement.

By Katherine Blunt And Andrew Scurria

A Canadian-American consortium swept into Puerto Rico last year with promises to transform the island's antiquated power grid.

Many residents welcomed the change, tired of subpar service from a state-run utility that left them in darkness for months after a strong hurricane five years ago.

But since the private company, Luma Energy LLC, took charge of the grid in June 2021, power outages on the island have lengthened. Hurricane Fiona, a less-than-ferocious category-1 storm in September, caused an island-wide blackout, and it took more than two weeks before nearly all residents had electricity again.

Luma, a joint venture of companies with limited experience in Puerto Rico, has so far spent just a small fraction of the hundreds of millions of dollars it had planned to invest by this time to shape up the decrepit grid. Meanwhile, customers' rates have increased several times to cover surging costs for oil and natural gas to fuel power generation.

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Why Turkey Is Telling the World Not to Call It Turkey Anymore

* * *

In part weary of bird jokes, the country wants everyone to say 'Tour-key-yeh'

Talking turkey is a pastime in the halls of government around the world. Yet what to call Turkey, the country, is something many can't agree on.

By Vivian Salama in Washington and Jared Malsin in Istanbul

In April, Turkish President Recep Tayyip Erdogan asked the international community to recognize his nation by its traditional name, spelled "Türkiye" and pronounced Tour-key-yeh.

His government promoted the shift as an effort to instill national pride—and silence associations with the Thanksgiving bird and pejorative uses of the word "turkey."

An article published by the website of the state television channel cited "not flattering" comparisons to the bird. It added: "Flip through the Cambridge Dictionary and 'turkey' is defined as 'something that fails badly' or a 'stupid or silly person.' "

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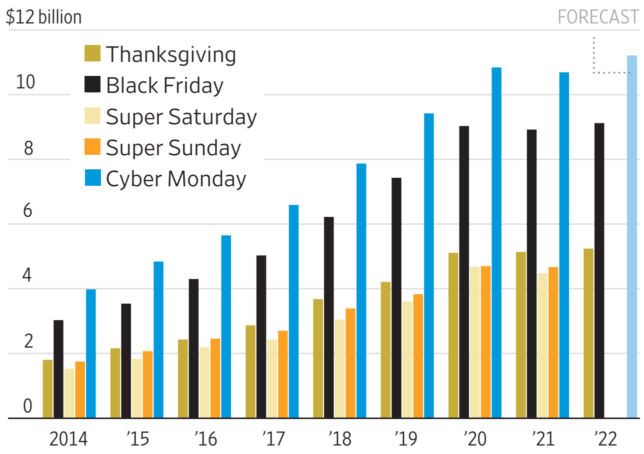
Black Friday Shopping Is Back

Americans returned to their prepandemic habits on Black Friday, spending more time and money in stores than last year. But some data show inflation weighing on purchases. **B1**

Holiday season online spending



Note: For 2022, Super Saturday and Super Sunday are not provided
Source: Adobe Analytics

VISIT…

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U.S. NEWS

THE OUTLOOK | By Alistair MacDonald

Global Food Chain Tosses Prices

For decades, globalization has increased the variety and reduced the cost of food. Now the pandemic, war in Ukraine and other global disruptions have shown how that complex supply chain can also result in more turbulent prices.

Food-price inflation hit multidecade highs this year in the U.S. and elsewhere, outpacing overall consumer prices. While food inflation has cooled in recent weeks, food prices globally are still 25% higher than before Covid-19 struck in early 2020, according to the United Nations Food Price Index.

Among the factors pushing up prices, food-industry executives and economists say, have been manufacturing and transport disruptions stemming from the pandemic and the impact of the war in Ukraine on energy and grain prices. While those issues may recede, and some suppliers say they will try to source from closer to home, analysts expect price swings to be more frequent.

Food and drink, like many manufactured goods from cars to iPhones, often include components from around the world. American pizzas can be topped with ham from Spain and Mexican sauce. Scotch whisky is sometimes made with Ukrainian barley. Overall, almost a quarter of global food exports now have a foreign component, according to data from the World Trade Organization.

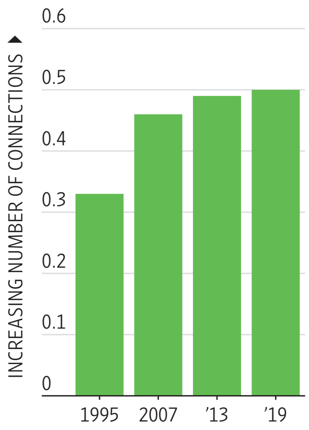
"When people think of globalized trade, they don't think that one of the major components of globalization was the food chain," said Susan Wachter, a professor at the Wharton School of the University of Pennsylvania, who studies inflation. "The increased complexity of that food chain makes food supply extremely vulnerable to supply shocks," she added.

Rabobank predicts food prices will stay volatile next year, given energy shortages, supply problems for key agricultural commodities and high fertilizer prices. U.S. food prices will rise 3% to 4% next year, above historical rates, the Agriculture Department projects.

Nations have imported food for millennia, with farmers in what is now Ukraine sending grain to Greek states as far back as the sixth century BC.

In modern times, the volume and variety of food crossing borders jumped as the world globalized. The U.S. imported about 18.3% by value of its food and beverages in 2020, up from 13.2% in 2008, according to the Agriculture Department. Globally, the share of wheat consumption sourced from abroad rose to 25% in 2019 from 17% in 1995, according to the International Food Policy Research Institute. In 2019, a country was 50% more likely to form a direct food and agricultural trade link with another country than in 1995, according to the U.N. Food and Agriculture Organization.

Level of connections in food trade between countries



Note: 1 = maximum number of connections
Source: Food and Agriculture Organization of the United Nations

Huge gains in farming and food-manufacturing productivity, globalization and lower transport costs have all served to expand choice and hold down prices for consumers.

Moreover, diverse food supplies can sometimes insulate against price volatility. One country experiencing a crop failure, for instance, can turn to the rest of the world to boost its supplies.

Nonetheless, events of recent years have exposed the risks to a globalized food chain. When Covid-19 hit in early 2020, food-manufacturing sites, borders and farms closed around the world while transport costs rose amid port congestion and a shortage of containers and hauliers.

At the end of last year, 90% of the European and U.S. food and beverage companies polled by accounting firm Deloitte said they had experienced significant challenges in securing inputs and getting products to market.

Cuisine Solutions, a Virginia-based maker of vacuum-packed meals, had typically paid about $3,000 to hire a container to bring ingredients from Asia to the U.S. before the pandemic. That went as high as $30,000 before settling at about $4,500 now.

With truck drivers in shorter supply than before the pandemic, the cost of getting that container from the port of Baltimore to one of the company's factories in Pennsylvania has tripled to $4,500. Meanwhile, the giant Amazonian pirarucu fish the company for years had imported for business-class airline meals became so expensive that the company stopped the trade.

"Everything was working in perfection, and then the pandemic happened," said Felipe Hasselmann, Cuisine Solutions' chief executive.

More recently, Russia's February invasion of Ukraine closed down ports that transported a large slice of the world's grain and sunflower oil exports. Prices of these products, as well as fertilizer, shot higher.

Evangelos "Spike" Mendelsohn didn't realize how dependent his Washington, D.C.-based food and restaurant group was on Ukrainian cooking oil until the world ran out.

"It absolutely did surprise me," said Mr. Mendelsohn, a co-founder of PLNT Burger, which makes plant-based foods and runs 12 restaurants.

Some food manufacturers, among them Mr. Mendelsohn, are sourcing some products closer to home and switching ingredients. A mushroom jerky, for instance, will be made from fungi sourced from Pennsylvania, he said.

Consumers aren't about to lose their taste for affordable global cuisine. But they should expect further bouts of volatility as disruptive events hurt the supply chains that brought that choice at those prices, analysts say.

◆ Restaurants, grocery stores battle for consumers............ B3

ECONOMIC CALENDAR

Tuesday: S&P Global releases its S&P CoreLogic Case-Shiller National **Home Price Index**, which will show September price trends. Also, the Conference Board publishes its November **consumer-confidence index**.

Wednesday: The Labor Department releases October data on **job openings, quits, hires and layoffs**. Federal Reserve Chairman **Jerome Powell** also gives remarks on the U.S. economy and the labor market, and the Fed separately releases its periodic compilation of economic anecdotes known as the **Beige Book**.

Meanwhile, the **European Union's statistics agency** releases November inflation figures, and the National Association of Realtors reports the number of **home sales** based on contract signings in October.

Thursday: The Commerce Department releases figures on U.S. **household spending and income** in October. The department also releases its **personal-consumption expenditures price index**, a gauge of inflation closely watched by the Fed.

The Labor Department reports the number of worker filings for **unemployment benefits** in the week ended Nov. 26.

S&P Global and the Institute for Supply Management release November **surveys of purchasing managers**, and S&P Global also releases November manufacturing indexes for other countries.

Friday: The Labor Department releases the **November employment report** detailing job gains, the unemployment rate and worker earnings.

U.S. WATCH

RON HARRIS/ASSOCIATED PRESS

LINED UP: Georgians cast ballots Sunday in the Senate runoff between Democrat Raphael Warnock and Republican Herschel Walker.

NEBRASKA

Bird Flu Case Shows Outbreak Spreading

Nebraska agriculture officials say an additional 1.8 million chickens must be killed after bird flu was found on a farm in the latest sign that the outbreak that has already prompted the slaughter of more than 50 million birds nationwide continues to spread.

The Nebraska Department of Agriculture said the state's 13th case of bird flu was found on an egg-laying farm in northeast Nebraska's Dixon County, about 120 miles north of Omaha. All the chickens on the Nebraska farm will be killed to limit the spread of the disease.

Officials say there is little risk to people from the virus because human cases are extremely rare and infected birds aren't allowed to enter the nation's food supply. Plus, any viruses would be killed by cooking poultry to 165 degrees Fahrenheit.

The bird flu outbreak has contributed to the rising prices of chicken and turkey along with the soaring cost of feed and fuel.

—Associated Press

OBITUARY

Irene Cara, 'Fame' and 'Flashdance' Singer, 63

Oscar-winning singer and actress Irene Cara, known to many for her work on the movies "Fame" and "Flashdance," has died, her publicist said Saturday. She was 63 years old.

Ms. Cara died in her Florida home.

Ms. Cara, who was born in the Bronx, N.Y., got her breakout role in 1980 by playing Coco Hernandez in "Fame," a movie musical based on the lives of students attending the High School of Performing Arts in New York. She also sang the title track, "Fame," as well as "Out Here on My Own." Both earned Academy Award nominations for Best Original Song, with "Fame" coming out the winner.

Three years later, Ms. Cara co-wrote and performed the song "Flashdance...What a Feeling" for the film "Flashdance." It won her Grammys for best female pop vocal performance and best original score for a motion picture.

—Ginger Adams Otis

FTX's Fall Hits Bid on Oversight

Continued from Page One

SEC—should be the main cop on the beat.

Crypto firms prefer the CFTC, and Mr. Bankman-Fried became a champion of this push. A 700-person agency that regulates derivatives like corn futures and interest-rate swaps, the CFTC has less experience than its larger sibling in policing the sort of conduct that can harm ordinary investors.

The CFTC also has less than one-sixth the staff of the SEC. The markets it regulates—futures, options and swaps—are geared toward companies hedging risk and professional investors who generally need less protection than individuals saving for retirement.

To regulate crypto, it would need to write rules from scratch—a process that would likely take years. Still, cryptocurrencies represented an opportunity for the agency and its chairman, Rostin Behnam, to gain additional power, though Congress would need to pass legislation.

Mr. Bankman-Fried proved a powerful ally. Along with FTX and executives at the firm, he showered politicians on both sides of the aisle with $70 million in campaign contributions ahead of the 2022 elections.

Aiding FTX's effort to gain influence was a cast of former CFTC officials who helped Mr. Bankman-Fried build trust with policy makers, claiming FTX supported reasonable regulation. The agency's former chairman, Chris Giancarlo, set up introductory meetings between Mr. Bankman-Fried and regulators. Mark Wetjen, a former Democratic CFTC commissioner, joined FTX in November 2021 as the firm's head of policy in Washington. A former CFTC attorney, Ryne Miller, was the firm's general counsel.

At the same time as it was lobbying Congress to increase the agency's jurisdiction and funding, FTX was seeking CFTC approval for a unique way to handle leveraged crypto-linked products.

"The finances and futures of both the CFTC and FTX were tied together," said Ty Gellasch, chief executive of the Healthy Markets Association, an investor trade group. "It raises questions about the agency leadership's engagement with FTX."

The CFTC has declined to disclose how many times its chairman, Mr. Behnam, met with Mr. Bankman-Fried and his deputies, or to release Mr. Behnam's meeting calendar. Other agencies, including the SEC and Federal Reserve, regularly publish their leaders' meeting calendars.

A CFTC spokesman said the agency plans to make Mr. Behnam's calendars public soon. He noted FTX has withdrawn its application with the CFTC and said the company "had no input into our work" with the Agriculture Committee on the crypto bill.

As momentum built for the bill, Mr. Bankman-Fried donated the individual maximum of $5,800 to Sens. Debbie Stabenow (D., Mich.) and John Boozman (R., Ark.), the chairwoman and ranking member of the Senate Agriculture Committee, which oversees the CFTC. FTX officials also donated $3 million to a political committee affiliated with Senate Majority Leader Chuck Schumer (D., N.Y.) and $6 million to a committee affiliated with House Speaker Nancy Pelosi (D., Calif.). Another FTX executive contributed $2.5 million to the Senate Leadership Fund, associated with Sen. Mitch McConnell of Kentucky, the chamber's GOP leader.

In the spring, FTX also hired a lobbyist, former Republican Senate staffer Eliora Katz, whom it paid $270,000 per quarter to push for the Stabenow-Boozman bill in Congress and regulatory agencies, according to official disclosures.

Ms. Stabenow and Mr. Boozman introduced the crypto bill on Aug. 3. Mr. Schumer indicated to FTX officials a willingness to tack the bill onto a broader spending package if it could pass the Agriculture Committee by December, several people familiar with the matter said.

"No one industry stakeholder had significant input in the content of this bill—including FTX. In fact, none of the substantial changes FTX requested were included in the legislation," a spokesman for Ms. Stabenow said.

Mr. Schumer's press office didn't respond to requests for comment. The Agriculture Committee has scheduled a hearing this week titled "lessons learned from the FTX collapse, and the need for congressional action." Mr. Behnam is set to testify. Reached by a Wall Street Journal reporter, Ms. Katz hung up the phone.

Mr. Giancarlo said FTX was a client of his law firm, Willkie Farr & Gallagher LLP. Mr. Miller couldn't be reached for comment. Mr. Wetjen said, "Like many, I was shocked and dismayed to read the allegations in the company's bankruptcy filing." Mr. Bankman-Fried didn't respond to requests for comment.

The Stabenow-Boozman bill would have authorized the CFTC to regulate spot markets for the largest cryptocurrencies, bitcoin and ether, and increased the agency's head count. It also would have provided a new revenue stream—user fees from crypto exchanges—to reduce the agency's dependence on congressional appropriations.

For Mr. Bankman-Fried and FTX, the legislation would have provided a pathway to U.S. regulatory compliance, a status no crypto platform enjoys.

Bahamas Defends Handling of FTX

The Bahamian attorney general defended the island nation's actions during the collapse of **FTX Digital Markets** Ltd. and urged patience while authorities investigate the embattled cryptocurrency exchange.

In a national address late Sunday, Ryan Pinder disputed recent statements by FTX's new chief executive and lawyers in U.S. bankruptcy court questioning whether Bahamian regulators had the authority to take control of the local FTX subsidiary's assets around the time of its bankruptcy this month.

A fight over which FTX entity controls customer assets could influence how and when customers get money back and whether that path goes through a bankruptcy court in Delaware or a liquidation in the Bahamas.

Mr. Pinder reiterated that local regulators and authorities are investigating FTX. U.S. regulators and prosecutors are also investigating the firm founded by Sam Bankman-Fried.

—Amrith Ramkumar

Watch a Video

Scan this code to see a video on FTX and how it went bankrupt.

CORRECTIONS & AMPLIFICATIONS

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Newsom, Mayors Clash Over Homeless

By Christine Mai-Duc

California Gov. Gavin Newsom is facing off with local government officials, many of whom are fellow Democrats, over responsibility for the lack of progress combating homelessness.

Mr. Newsom recently put a temporary freeze on $1 billion of state grants for city and county homelessness programs. He also rejected a slate of proposals from local officials outlining how they would spend the money, saying the measures would have reduced homelessness statewide by 2% between 2020 and 2024, which he deemed inadequate.

People who work in state politics say Mr. Newsom's policy moves and comments echo many Californians' rising frustration over housing costs and homelessness, and indicate a willingness by the governor, who recently won re-election, to pick fights with local leaders to try to get results.

Mayors and county officials, meanwhile, have said they need the Newsom administration to provide reliable, recurring revenue streams and a cohesive statewide framework to address the issue. Instead, they said, most state money comes in one-time allocations with little guidance.

Many mayors were also rankled when Mr. Newsom told the Los Angeles Times he froze the homelessness funds because local leaders needed to "deliver damn results," adding that he would be willing to play "mayor of California" if they didn't.

Local officials said withholding money they were counting on would only make the problem worse. "Lives are on the line and we can't afford for this work to get mired in more politics," Los Angeles Mayor Eric Garcetti said.

Mr. Newsom recently met with more than 100 local leaders and agreed to release the frozen funds—but only to jurisdictions that agreed to submit more ambitious proposals by the end of the month. A Newsom spokesman said 21 jurisdictions have agreed and are expected to receive funds as early as this week.

Conflicts over who should take the lead on homelessness have been simmering for

California's number of homeless people has grown roughly 15% since 2019.

years. California has some of the highest housing costs in the nation and more than 116,000 residents sleeping on the street on any given night, the most in the U.S., according to an analysis of data from local governments by the nonprofit news site CalMatters.

The number of homeless people in California has grown roughly 15% since 2019, even as Mr. Newsom oversaw the largest increase in funding for homeless programs in the state's history. California has dedicated some $15 billion toward the issue since the start of the pandemic.

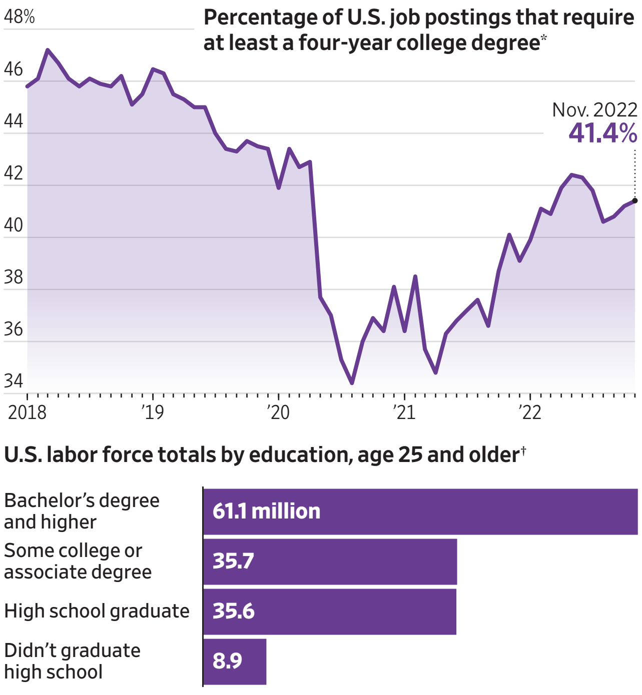
The money is largely administered by local governments. Some, including Los Angeles and San Francisco, have raised taxes to fund more homeless services and affordable housing construction.

Problems including bureaucratic slowdowns and community resistance have made it difficult to deliver services, according to advocates.

Mr. Newsom has forced cities and counties to adopt more aggressive goals for planning and building housing, taken some local power over land use away. Many local leaders have said Mr. Newsom needs to help develop statewide policies to make homelessness programs more effective.

Jason Elliott, Mr. Newsom's top housing adviser, said local officials have long had control over homeless programs, as well as most land-use decisions that could spur more home-building.

"The state's vision is realized locally," Mr. Elliott said.



*Only includes job postings with educational requirements †As of October 2022
Sources: Burning Glass Institute analysis of Lightcast data (job postings); Labor Department (educational levels)

CHET STRANGE FOR THE WALL STREET JOURNAL

Lucy Mathis left college before graduating for a job at Google where she makes a six-figure salary.

Employers Rethink Need for a Degree

By Austen Hufford

The tight labor market is prompting more employers to eliminate one of the biggest requirements for many higher-paying jobs: the need for a college degree.

Companies such as **Alphabet** Inc.'s Google, **Delta Air Lines** Inc. and **International Business Machines** Corp. have reduced educational requirements for certain positions and shifted hiring to focus more on skills and experience. Maryland this year cut college-degree requirements for many state jobs—leading to a surge in hiring—and incoming Pennsylvania Gov. Josh Shapiro campaigned on a similar initiative.

U.S. job postings requiring at least a bachelor's degree were 41% in November, down from 46% at the start of 2019 ahead of the Covid-19 pandemic, according to an analysis by the Burning Glass Institute, a think tank that studies the future of work. Degree requirements dropped even more early in the pandemic. They have grown since then but remain below prepandemic levels.

The shift comes as demand for workers remains high and unemployment is low. Job postings far outpace the number of unemployed people looking for work—10.7 million openings in September compared with 5.8 million unemployed—creating unusually stiff competition for workers.

The persistently tight labor market has accelerated the trend that builds on a debate about the benefits and drawbacks of encouraging more people to attend four-year colleges and as organizations try to address racial disparities in the workplace.

Some occupations have universal degree requirements, such as doctors and engineers, while others typically have no higher education requirements, such as retail workers. There is a middle ground, such as tech positions, that have varying degree requirements depending on the industry, company and strength of the labor market and economy.

Lucy Mathis won a scholarship to attend a women in computer science conference. There, she learned about an IT internship at Google and eventually dropped out of her computer science undergraduate program to work at the company full time. The 28-year-old now makes a six-figure sum as a systems specialist.

"I found out I had a knack

The shift comes as demand for workers remains high, with low unemployment.

for IT," she said. "I'm not good at academics. It's not for me."

More than 100,000 people in the U.S. have completed Google's online college-alternative program that offers training in fast-growing fields such as digital marketing and project management, the company said. It and 150 other companies are now using the program to hire entry-level workers.

The majority of its U.S. roles at IBM no longer require a four-year degree after the company conducted a review of hiring practices, spokeswoman Ashley Bright said.

Delta eased its educational requirements for pilots at the start of this year, saying a four-year college degree was preferred but no longer required of job applicants.

Walmart Inc., the country's largest private employer, said it values skills and knowledge gained through work experience and that 75% of its U.S. salaried store management started their careers in hourly jobs.

"We don't require degrees for most of our jobs in the field and increasingly in the home office as well," Kathleen McLaughlin, Walmart executive vice president, said at an online event this fall.

A four-year college degree holder has more lifetime earnings than one without. The lifetime earnings of a worker with a high-school diploma is $1.6 million while that of a bachelor's degree holder is $2.8 million, according to a 2021 report by the Center on Education and the Workforce at Georgetown University.

But many people don't finish college and are left with mountains of debt—more than 43 million people in the U.S. hold a total of $1.6 trillion in student-loan debt. While a college degree can provide specific workplace skills, workers can gain the skills needed for many jobs without a four-year degree.

Maryland Gov. Larry Hogan in March said the government would review college-degree requirements for every state job. State and local governments have struggled to hire workers in the tight labor market.

Half a year later, Maryland said the program is showing early signs of working as intended. The number of state employees hired without a four-year degree from May to August is up 41% from a year before while the number of all employees hired is up 14%.

JOE RAEDLE/GETTY IMAGES

Unlike corporations, municipal borrowers don't all report their finances the same way. Work on a bridge replacement in Florida last year.

Battle Rages Over Proposed New Rules For Borrowing by Local Governments

By Heather Gillers

A pitched battle over data is under way in the $4 trillion market that finances roads and sewers. At issue is a little noticed measure in proposed federal legislation that would mandate how state and local governments across the country present their financial results to investors.

The municipal-bond market in some ways remains stuck in the last century. Municipalities file reports erratically according to different standards, and the files aren't machine-readable by investors attempting to study city or state finances before they buy or sell. That marks a contrast to corporate disclosures, where standardized data can be extracted by computers.

Lawmakers sponsoring the measure—and companies that sell financial reporting software—say it would aid investors and the public by improving transparency. But Congress's proposed fix hasn't gotten much of a welcome in the muni market. Bankers, investors and local officials all warn of problems from increased costs to accounting headaches if Congress passes the measure.

Even some supposed beneficiaries are voicing concerns, with several major investment firms warning that small borrowers might abandon the market altogether, pursuing private loans from banks or money managers. That would give muni investors a narrower array of bonds to choose from in the public markets.

"For the market, as a whole, the risks outweigh the benefits here," said Adam Stern, co-head of research at Breckinridge Capital Advisors. "There are probably better ways to nudge issuers to improve transparency."

The broker trade group Bond Dealers of America has deemed the legislation "a solution in search of a problem." A national group of municipal analysts called on Congress to hold off on the measure, which allows four years for rule-writing and compliance, and develop "an appropriate timeline and plan for implementation." The machine-readability requirements for corporations, which took effect in 2009, gave smaller companies an additional four years to comply.

The legislation passed the House in July after being tacked on to the defense spending bill. Similar language is under consideration in the Senate. Versions have been introduced in Congress since at least 2015 but haven't advanced.

The Senate sponsors, Democrat Mark Warner of Virginia and Republican Mike Crapo of Idaho, in a statement called the measure another step toward a longtime goal of making "government data more transparent and accessible."

The legislation has found support among some investors and analysts. Lack of transparency and accessibility have spawned longstanding gripes in the market, though those have tended to focus on the amount of time that it takes borrowers to file audited financial reports.

Citigroup head of municipal strategy Vikram Rai said in a report that increased transparency would reduce borrowing costs in the long run.

Good Jobs First, a nonprofit group that tracks government incentives to companies, said the legislation takes "significant and necessary steps towards greater transparency by transforming government data into searchable, accessible, and downloadable formats."

Groups representing cities, hospitals, school systems and more than a dozen other borrowers signed onto a letter expressing concern about the measure, saying it would cost a combined $1.5 billion in software, consultant services and staff time. Staffers for Sens. Warner and Crapo said they haven't seen a full breakdown of those costs.

Air Travel Disruptions Minimal in Holiday Week

By Alison Sider

Airlines and airports reported generally smooth operations during the busy Thanksgiving week, though poor weather caused some problems on what was expected to be the holiday's busiest travel day.

Overall, calm weather throughout most of the country helped keep flight disruptions to a minimum. From Monday through Saturday, airlines scrapped 262 domestic flights—0.2% of what were scheduled, according to FlightAware, a flight tracking site.

Passenger volumes at U.S. airports have been about 6% higher than the same period last year, but still roughly 5% below prepandemic levels through Saturday, according to the Transportation Security Administration.

Thanksgiving is always one of the busiest travel periods in the U.S. Airlines are facing additional scrutiny this year as passengers, lawmakers, and regulators have grown frustrated with the industry's sometimes rocky recovery from the Covid-19 pandemic.

Rainy and windy weather across much of the eastern U.S. Sunday posed some potential challenges. U.S. airlines had canceled about 150 flights as of Sunday evening, less than 1% of what was scheduled, according to Anuvu, a flight-data provider.

Ground delays, ground stops and other air-traffic management programs were in place Sunday at several airports along the East Coast, from Boston to Washington, D.C., and in Florida, due to weather and heavy air traffic volumes, according to the Federal Aviation Administration.

Airlines cut back on ambitious flying plans after missteps early in the summer and have maintained more muted schedules since in an effort to make sure they could operate reliably. They have also been working to catch up on hiring and training.

Congress Returns To Packed Agenda

Government funding, same-sex marriage and defense spending are part of to-do list

By Katy Stech Ferek

Lawmakers return to work this week with a to-do list that includes passing a critical government-funding bill, solidifying access to same-sex marriage and setting priorities for the U.S. military before the start of the new Congress next year.

Other issues emphasized by Democrats, including passing a ban on the sale of assault-style weapons, are a long-shot given their narrow majority in the Senate, where most legislation requires 60 votes to advance. In addition, lawmakers are discussing raising the federal debt ceiling, which limits how much the government can borrow.

Congress faces a Dec. 16 deadline to pass legislation that would continue funding the federal government; failure to do so could result in a partial shutdown. Lawmakers must decide whether to approve a short-term bill or reach a deal on more-detailed legislation that would fund the government for the full fiscal year.

Senate lawmakers are likely to consider an annual defense-policy package called the National Defense Authorization Act, or NDAA, a bill with hundreds of proposals that would give raises to U.S. military service members and Defense Department workers and pay for new aircraft, ships and vehicles for combat, while funding newer technologies such as microelectronics and hypersonic weapons.

Congress has passed the NDAA more than 60 years in a row, typically with bipartisan support. House lawmakers passed their version in July.

Measures to deal with the debt ceiling could be attached to the defense bill or other legislation, but the issue might not be resolved in the lame-duck session. The debt ceiling has routinely been increased or suspended by both political parties over the years, but at times only after fraught negotiations that roiled Wall Street.

The debt ceiling forces the government to stop borrowing when prescribed levels are breached. That would threaten default on interest payments to Treasury bond borrowers, making it a hot issue for global investors, and suspension of Medicare, Social Security and other payments to households and businesses.

President Biden on Wednesday repeated his call for getting rid of assault-style weapons, following several recent mass shootings. Pressed on if he could take action during the lame-duck period, he said: "I've got to make that assessment as I get in and start counting the votes."

Sen. Chris Murphy (D., Conn.) said Sunday on CNN that he was glad Mr. Biden would make a push on a ban on the sale of such weapons, which has passed the House, but it is unlikely to advance in the 50-50 Senate. "Does it have 60 votes in the Senate right now? Probably not. But let's see if we can try to get that number as close to 60 as possible," he said.

On NBC Sunday, Rep. James Comer (R., Ky.) said there are many gun laws and that "passing bills doesn't solve the problem."

Senate lawmakers are likely to finalize access to same-sex marriage rights with legislation that recently secured enough Republican support to advance.

DREW ANGERER/GETTY IMAGES

Senators are to vote Monday on a same-sex marriage amendment from Sen. Tammy Baldwin (D., Wis.).

Same-sex marriage became legal nationwide under a 2015 Supreme Court ruling. The Respect for Marriage Act would codify the ability of same-sex as well as interracial couples to get married and require states to recognize the marriages, solidifying those rights and putting them out of reach of U.S. Supreme Court justices who have the power to revisit earlier rulings.

Senate lawmakers are scheduled to vote Monday evening on an amendment from Sen. Tammy Baldwin (D., Wis.), the first openly gay senator, that makes it clear that religious organizations wouldn't face consequences for refusing to host same-sex marriage ceremonies. The proposal would need approval by the House, which passed a similar bill earlier this year, to become law. President Biden said he backs the legislation.

Lawmakers could decide to force a resolution on railroad unions that have threatened to strike as early as next month, disrupting the flow of goods around the U.S. Four out of 12 unions have rejected the proposed contract.

Under the Railway Labor Act, Congress can make both sides accept an agreement that their members have voted down. Likewise, lawmakers can order negotiations to continue and delay the strike deadline for a certain period, or they could send the dispute to outside arbitrators.

Rep. Jim Clyburn (D., S.C.), the House Majority Whip, said on Sunday that one of his priorities was passing the Electoral Count Act, which would change an 1887 law governing how Congress deals with presidential-election disputes.

It has been pitched as a way to prevent a repeat of what happened following the 2020 election when then-President Donald Trump had urged his vice president, Mike Pence, to reject the Electoral College votes from some states. Mr. Pence declined to do so.

—Catherine Lucey and Jon Hilsenrath contributed to this article.

FROM PAGE ONE

Behavior Discussed In 2018

Continued from Page One

sales from Yeezy look-alike products. The proposal offered to continue the partnership through at least 2026, the people said.

Mr. West wasn't satisfied and wanted as much as $3 billion, the people said. Weeks later, after Mr. West wore a "White Lives Matter" T-shirt at his fashion show and posted anti-Semitic comments on social media, Adidas said it would end its Yeezy partnership.

In a statement, Adidas said the company doesn't tolerate hate speech and offensive behavior and that it continues to have conversations with employees. "They have our full support," the company said. It declined to comment further. Mr. Rorsted, who stepped aside earlier this month, didn't respond to requests to comment.

Mr. West didn't respond to requests to comment and has previously declined to comment on what happened with the company.

Adidas said last week it was launching an investigation into the situation after the company received an anonymous letter that alleged years of misconduct toward Adidas staff by Mr. West and that Adidas management turned a blind eye to his conduct. Rolling Stone earlier reported on the letter and employees' complaints.

Such alleged behavior—some of which Mr. West acknowledged on social media—and the company's efforts to hang onto Yeezy despite it weren't new, according to former and current Adidas and Yeezy employees. Some of the employees said they raised concerns about Mr. West's conduct over the years to senior Adidas leaders and human-resources managers, including in 2018.

Adidas, one of the biggest global brands with more than $20 billion in annual sales, initially saw landing Mr. West as a coup. Nearly a decade ago, he was a popular hip-hop star who had left Nike Inc., its biggest rival in the sneaker world, and was gaining credibility in fashion circles. The German company hoped the designer could help lift the brand's cachet and take it beyond sports into the booming streetwear market.

SEPP SPIEGL/ROPI/ZUMA PRESS

CEO Kasper Rorsted, pictured last year, attended a 2018 presentation that highlighted the risks of Adidas's ties with Kanye West.

Yeezy was a commercial success soon after the first products with Adidas made their debut in 2015. Its sneakers often sold out quickly and commanded premium prices. Mr. West licensed his Yeezy trademark to Adidas in exchange for a 15% cut of sales, people familiar with the matter said. Adidas was responsible for manufacturing products and getting them to consumers, and it retained ownership of the designs.

The two sides extended their partnership, adding staff and items to the Yeezy product line, which became central to Adidas' sales growth. There were tensions behind the scenes. Current and former employees said Mr. West berated staff in front of colleagues and sometimes watched pornography at work, which was escalated to human resources in 2018. He also occasionally made anti-Semitic comments in front of Adidas staff, including in 2018 when he suggested naming an album after Hitler, they said. CNN earlier reported on his pro-Nazi comments. Mr. West didn't respond to requests for comment on the allegations.

Employees raised concerns to executives about Mr. West's behavior after the artist appeared on TMZ in early 2018 saying that slavery "sounds like a choice," former employees said. At a meeting with Adidas executives, including a member of the executive board, the focus shifted from concerns about Mr. West's comments to complaints about how the company handled the controversy internally, the employees said.

In October 2018, Adidas executives conducted a deep dive of the Yeezy partnership that was presented to leaders based in Germany, including Mr. Rorsted. The presentation reviewed options for dealing with Mr. West, who was asking to be named creative director of Adidas, according to documents.

One of the risks identified was Adidas employees having "direct exposure" to Mr. West and leaders evaluated rotating key staff to mitigate the risk, the documents show.

One proposal was running Yeezy as a stand-alone brand like Nike's Jordan brand, which would limit Mr. West's exposure to the rest of the company. Another option was buying the Yeezy trademark from Mr. West and running the brand without him, according to the documents. The documents say Mr. West wanted to be paid out to focus on philanthropy.

Another proposal called "immediate mitigation" was to separate from Mr. West, sell off remaining Yeezy products and replace them with other revenue streams, including products from other celebrities, the documents show. The executive board opted to continue its arrangement with Mr. West.

One identified risk was staff having 'direct exposure' to the rapper.

Mr. West requested Adidas's support with his philanthropic ideas, according to people familiar with the matter. Adidas offered him a $100 million annual marketing payment in 2019 to promote the brand and fund his activities, the people said. Adidas executives decided that any spending beyond Adidas-related activities could help sell more sneakers as long as Mr. West kept himself in the headlines, the people said.

Tensions resurfaced this spring. Mr. West called out Adidas executives in Instagram posts, accusing them of stealing his designs and later of trying to get him to hand over the Yeezy trademark for $1 billion. He wanted to break free from the sneaker company where he felt executives had been exploiting him, people familiar with his thinking said. In August, Mr. West accused the company of putting on Yeezy Day, an annual marketing event, without his consent.

Internally, Adidas executives tried to contain the fallout. An Adidas executive reassured some employees in August that Mr. West had approved the event and that the company would get the situation under control. "When you have a partner that behaves poorly like this it doesn't feel good," the executive told employees.

Mr. West's lawyers sent letters to Adidas and Gap, which had a smaller fashion partnership with him, saying the companies were in breach of their contracts. In early September, the artist again took to Instagram to air out his discontent with Adidas and Gap. He also posted a fake newspaper headline declaring Mr. Rorsted dead.

On Sept. 15, Gap announced it was severing ties with the artist. That same week Mr. West met with Adidas executives and showed them part of a pornographic video and commented on how the actor's voice sounded like one of the Adidas executive's. He wanted to make the point that Adidas was cheating on him by selling copycat designs, the people said.

After the meeting, the people said Adidas made an offer conceding to many of Mr. West's demands, including ownership of new designs, paying royalties for copycats and offering to increase the royalty payment to 20% on existing Yeezy designs after 2026. But the company wanted him to give up the annual marketing payment.

Mr. West wasn't satisfied. He wanted Adidas to give him ownership of existing designs, and wanted the company to sell the designs without Yeezy branding—and pay him a 20% royalty for them, according to the people. He also wanted $1 billion worth of Adidas stock once sales of existing products hit $5 billion, and an additional $2 billion in stock if higher sales targets were reached, the people said.

Adidas said on Oct. 6 that it put the partnership under review a few days after Mr. West wore a T-shirt reading "White Lives Matter" at a fashion show in Paris. Days later, he tweeted anti-Semitic remarks and published a video on YouTube showing himself playing the pornography at the Adidas meeting.

Adidas executives discussed how Mr. West's escalating behavior could work in the company's favor as grounds to invoke a morals clause and help terminate the deal, according to people familiar with the matter.

On Oct. 25, Adidas said it was terminating the partnership. The company walked away without the Yeezy brand, and Mr. West didn't get the payout he sought.

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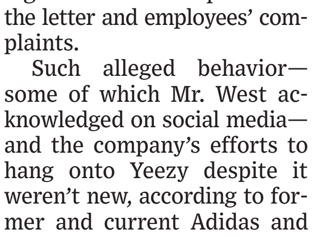

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Trump Rebuked for Fuentes Dinner

Criticism of Donald Trump's recent dinner with Kanye West and Nick Fuentes, a white nationalist and far-right personality, mounted over the weekend, with some members of both political parties condemning the former president and calling for him to take a firmer stance on anti-Semitism.

The controversy over the Tuesday dinner came about a week after Mr. Trump announced he is running for president again. Mr. Trump said he didn't know Mr. Fuentes and was accommodating a meeting request from Mr. West, the rapper who goes by Ye.

"I don't think it's a good idea for a leader that is setting an example for the country or the party to meet with an avowed racist or anti-Semite," Arkansas Gov. Asa Hutchinson, a Republican who has said he is considering a 2024 presidential bid, said Sunday on CNN. "It's very troubling and it shouldn't happen."

Mr. Trump "certainly needs better judgment in who he dines with," Rep. James Comer (R., Ky.) said on NBC News.

The former president met the pair Tuesday evening at his home and social club in Palm Beach, Fla. He has said he was trying to help Mr. West, who has lost business deals over recent anti-Semitic remarks, and thought they would be meeting alone.

"So I help a seriously troubled man, who just happens to be black, Ye (Kanye West), who has been decimated in his business and virtually everything else, and who has always been good to me, by allowing his request for a meeting at Mar-a-Lago, alone, so that I can give him very much needed 'advice,' " Mr. Trump wrote Friday in one of several messages about the event on his Truth Social platform. Aides to Mr. Trump didn't respond Sunday to a request for comment.

—Alex Leary and Catherine Lucey

Record Number of Women to Be Governor

By Catherine Lucey

A record number of women were elected as governors in midterm elections, with female candidates from both parties winning executive roles that have historically been challenging for women to secure.

A total of 12 women—eight Democrats and four Republicans—won bids for governor in 2022. Of that group, eight already held the title and four were newcomers. The previous high-water mark of nine women serving as governor at the same time was set in 2004, according to the Center for American Women and Politics at Rutgers University.

Republican Sarah Huckabee Sanders became the first woman elected governor of Arkansas. Democrat Maura Healey will be the first woman to lead Massachusetts. Democrat Kathy Hochul, who took office after Gov. Andrew Cuomo resigned last year, is the first woman elected governor of New York. Ms. Healey and Democrat Tina Kotek of Oregon are the nation's first openly lesbian governors.

Democratic pollster Celinda Lake said voters are now more likely to see women as leaders. "Nobody questions whether they can lead," she said.

The increase in women winning governorships follows decades of work by outside groups, as well as efforts by the political parties, to train and recruit women to run for office, said Debbie Walsh, director of CAWP. She said that has contributed to more women winning state-level positions that help pave the way for a bid for governor.

Most of the women who won in 2022 were already serving as governor, including Ms. Hochul. Of the four who are new to the job, Ms. Healey, Ms. Kotek and Democrat Katie Hobbs, who won in Arizona, all recently held prominent state offices. Ms. Sanders served in former President Donald Trump's White House and is the daughter of former Arkansas Gov. Mike Huckabee.

More women ran for governor in 2022 than ever before. A total of 69 women ran in the primaries as major party candidates this year, beating the previous high of 61. Of those, 25 women became their parties' nominees, above the previous high of 16.

A total of 12 women, eight Democrats and four Republicans, won bids for governor.

In states like Michigan, Oregon and Arizona, both major party candidates for governor were women. The contest in Arizona pitted Ms. Hobbs against former television news anchor Kari Lake.

In some states with close races, women running as Democrats likely got a boost from voters concerned about abortion in the wake of the Supreme Court's overturning Roe v. Wade. Ms. Hochul focused her campaign on the topic. In Michigan, voters passed a ballot measure to enshrine abortion rights in the state constitution and re-elected Gov. Gretchen Whitmer.

Kansas Gov. Laura Kelly narrowly won re-election after voters in her state rejected a proposed amendment to the state constitution that would have ended protections for abortion. She beat Republican Attorney General Derek Schmidt, who said that he opposed abortion but that the results of the referendum should be respected.

Some of the women elected this year have gotten attention as possible presidential hopefuls, such as Ms. Whitmer, who won in what had been expected to be a difficult year for Democrats, and Ms. Sanders, who has a strong national profile. Both said their focus was on their current roles.

Encore Campaigns Yield More Losses

By Aaron Zitner

Beto O'Rourke became a Democratic Party sensation by nearly winning a Senate race in Republican-dominated Texas. Stacey Abrams became a national Democratic figure by nearly winning the governor's office in GOP-leaning Georgia.

That was in 2018. This year, both Ms. Abrams and Mr. O'Rourke tried again for statewide office—and ended up losing by far larger margins than in their first attempts. In doing so, they raised a question that also looms over several other nationally known figures who lost in this year's elections: Can a bright star in politics, once dimmed by defeat, find a way to shine again?

"It's hard to capture lightning in a bottle twice," said Cal Jillson, a political scientist at Southern Methodist University in Dallas. Speaking of Mr. O'Rourke, he said: "It's hard to reproduce the kind of first-exposure enthusiasm for a person, for their personality."

The midterms humbled several other politicians who had built national profiles. In Alaska, former Gov. Sarah Palin, a Republican, lost the statewide election for a House seat, her third defeat after a special House election this summer and her appearance on the national stage as Sen. John McCain's vice presidential running mate in 2008.

In Florida, Democratic Rep. Charlie Crist suffered a landslide loss by nearly 20 points this year in his attempt to return to the governor's office, where he had once served as a Republican. It was the latest chapter in a political life with many plot twists. Toward the end of his time as governor, in 2010, Mr. Crist ran unsuccessfully for Senate as an independent, then for governor again as a Democrat before winning a seat in the House.

Mr. Crist said he didn't know which attribute voters prized more: the experience that a political leader develops during long service in government, or the novelty and excitement produced by some newcomers. He said any of the well-known political figures defeated on Nov. 8 could have a future in public office.

"If we've learned one thing over the past seven or eight years in American politics, it's that anything is really possible," said Mr. Crist, referring to Donald Trump's election to the White House in his first attempt at elected office.

Mike Madrid, a Republican political consultant in California, and Jeff Horwitt, a Democratic pollster in Washington, D.C., said that Ms. Abrams and Mr. O'Rourke had undertaken party-building efforts and assembled national fundraising networks that left them well-positioned for future political campaigns.

"Politics used to be: You lose once or twice, and you're out," said Mr. Madrid, adding that there have been prominent exceptions, such as Richard Nixon's election to the White House after defeats in the 1960 presidential race and then in a campaign for California governor. "Winning isn't necessarily the most important thing in today's era. It's building a national network... It's being able to move your donor base and activist base."

WORLD NEWS

Most Electricity Is Restored in Kyiv

Zelensky warns power grid is still unstable; Russian strikes hit southern Ukraine

By Ian Lovett

Ukrainian servicemen on the front line near Bakhmut, in eastern Ukraine, on Sunday.
ANATOLII STEPANOV/AGENCE FRANCE-PRESSE/GETTY IMAGES

MYKOLAIV, Ukraine—Ukrainian officials said Sunday that they had managed to restore most of the electricity to the capital city of Kyiv, even as Russian strikes hit cities across southern Ukraine and intense fighting continued in the country's eastern Donetsk region.

Even though parts of Ukraine's electricity grid have been hobbled by Russian strikes over the past few weeks, officials in the capital said that power, water and heat had been almost completely restored. Utility workers have been scrambling to restore power in recent days as temperatures drop and snow starts falling on the city of three million.

Russian attacks on infrastructure have upended life in Ukraine over the past six weeks. As of Saturday, six million people across Ukraine were without power as a result of the strikes. The U.S., Ukraine and others have accused Russia of trying to freeze Ukrainians into submission by leaving them without power as winter approaches.

In his nightly address on Saturday, Ukrainian President Volodymyr Zelensky said that engineers were working to restore the power supply and that the number of homes disconnected from the grid had been cut in half. However, he said the power supply remained restricted in chunks of the country.

"We now have more ability to generate and supply electricity. But, unfortunately, not enough to make the supply completely stable," Mr. Zelensky said. He urged Ukrainians to continue to conserve electricity, even when their power was restored. "If consumption increases in the evening, the number of outages may increase," he said.

Russian strikes hit cities across southern Ukraine over the weekend.

Thirteen people were injured in strikes on residential areas of Dnipro on Saturday, according to Ukrainian emergency services. A video posted by emergency services showed firefighters putting out flames and helping extract people from the rubble of several apartment buildings.

Rockets also hit the suburbs of Zaporizhzhia overnight, according to the region's governor; there were no casualties.

On Sunday morning, two Russian missiles struck transportation infrastructure in Kryvyi Rih, according to Oleksandr Vilkul, the city's top official.

"The destruction is significant," Mr. Vilkul said on Telegram, adding that the extent of the damage wasn't clear.

Recent rains and mud across southern Ukraine have slowed military operations for both sides, but a coming freeze could boost the mobility of both sides, said the Institute for the Study of War, a U.S.-based think tank.

Fighting has continued in the Donetsk region, where Russian forces have been pushing for months to take the city of Bakhmut.

Pavlo Kyrylenko, governor of the region, said on Telegram that five civilians were killed by Russian shelling on Saturday.

The British Defense Ministry said that intense fighting was taking place around the towns of Pavlivka and Vuhledar, southwest of Bakhmut, though little territory had changed hands over the last two weeks.

Despite Shift, Markets Face Wait for Venezuelan Oil

By Collin Eaton And José de Córdoba

The Biden administration made a significant shift in its Venezuela policy when it allowed **Chevron** Corp. to pump oil in the South American country again, but the decision will yield little increase to the world's oil production in the short-term.

The U.S. company will have to contend with myriad technical issues at Venezuela's aging oil fields and a complicated network of remaining U.S. sanctions that must be altered to ensure more of the country's oil reaches the global market.

On Saturday, the Treasury Department granted Chevron a new license to operate in Venezuela following a meeting in Mexico City between the government of Venezuela's Nicolás Maduro and opposition groups in which the participants agreed Venezuela would spend billions of frozen funds on humanitarian aid and infrastructure in a program to be administered by the United Nations. U.S. officials had held out Chevron's return to Venezuela as a reason for the parties to begin negotiations on a timeline and framework for free elections.

The policy shift comes two years after the Trump administration clamped down on Chevron and other oil companies' activities in Venezuela as part of a "maximum pressure" campaign aimed at ousting the government led by Mr. Maduro. That policy included withdrawing recognition from Mr. Maduro and backing congressional leader Juan Guaidó as the legitimate president of Venezuela.

The shift may open the door to other oil companies that had previously operated in Venezuela, as well, though the Treasury Department didn't outline how they might re-engage with the country.

Among Chevron's first tasks are to make repairs to broken equipment, stop power outages and fix problems with pipelines, rehire hundreds of workers despite an exodus of talent from Venezuela's oil industry, and deal with physical security threats including gasoline thefts, analysts said.

"The amount of money needed to invest in Venezuela to recover the lost production is tremendous," said José Chalhoub, a political risk and oil analyst in Venezuela who previously worked in the country's oil industry.

Mr. Chalhoub estimated the investments needed to restore Venezuela's lost oil production could come to as much as $50 billion. Over the next six months or so, he said, Chevron might increase output by some 20,000 to 30,000 barrels a day, too little to make any difference to the global market.

Venezuela has also struggled to get enough diluents—liquids that ease the flow of Venezuela's viscous oil, once primarily sourced from the U.S.—since the U.S. imposed sanctions.

Before Chevron is willing to make new investments in Venezuela, such as in new fields, it wants to collect more than $4 billion in debt from the Venezuelan national oil company, **Petróleos de Venezuela** SA.

Collecting that debt could take two to three years, as PdVSA owes Chevron and other joint-venture partners their shares of more than two years of revenue from oil sales, after the 2020 U.S. sanctions barred the Venezuelan company from paying its partners. The license would allow Chevron to collect its share of dividends from its joint ventures such as Petropiar, in which Chevron is a 30% partner.

Though Venezuela boasts the world's largest oil reserves, it could take at least a year for Chevron to bring oil production back to 200,000 barrels a day at its four joint ventures with PdVSA, analysts said.

That is a drop in the bucket compared with the amount of oil that could be impacted by Western sanctions on Russian oil. Some analysts estimate about 1.5 million barrels a day could be affected by those sanctions next year.

Venezuela's oil production has languished around 700,000 barrels a day this year, down from more than three million barrels a day in the 1990s.

Chevron's initial push back into Venezuela is unlikely to help ease oil prices soon, analysts said.

"This isn't something that's going to happen overnight. It will add barrels over time to global supply but it will take months if not over a year," said Robert Yawger, an analyst at Mizuho.

◆ Russia sanctions, OPEC move weigh on oil prices B6

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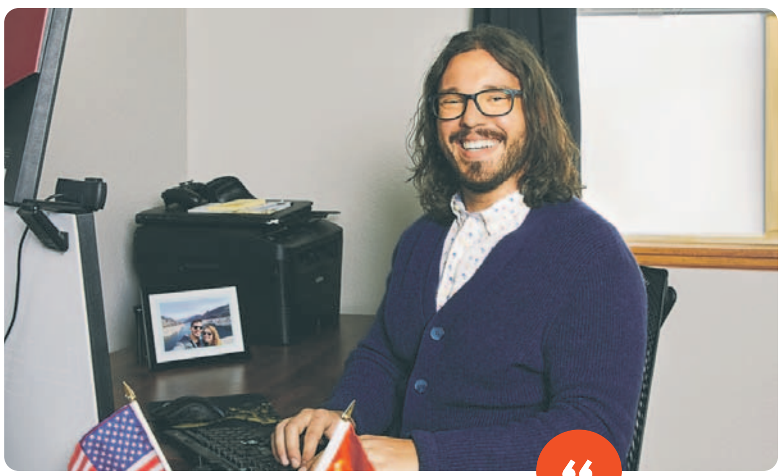

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St. Jude patient **Lucas** pictured with his mom

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WORLD NEWS

Protests Spread In China

Continued from Page One

tos circulating on social media, which The Wall Street Journal wasn't able to independently verify, suggested protests broke out in several other cities, including Chengdu, capital of Sichuan province.

The protests followed demonstrations on Friday in Urumqi, capital of the remote region of Xinjiang, where a deadly fire enraged residents who had struggled with lockdowns of more than 100 days. Residents flooded social media with comments suggesting that Covid-19 restrictions contributed to a delay in putting out the fire, in which officials said 10 people died.

HECTOR RETAMAL/AFP/GETTY IMAGES

A man was arrested Sunday in Shanghai following protests against China's Covid restrictions.

In Beijing, hundreds of protesters marched Sunday night. A police presence pinned protesters near the Liangmahe River, close to many foreign embassies. "Freedom," the protesters shouted in unison.

Open displays of anger are rare in China, where crackdowns on dissent have intensified over the past decade. Having protests over the same issue break out in multiple Chinese cities is almost unheard of. Since the Tiananmen Square protests in 1989, the ruling Communist Party has allowed some local demonstrations but made it a priority to prevent nationwide protests.

The weekend protests were remarkable considering the sheer size of China's surveillance state and the consequences that dissidents can face in China, including lengthy prison terms. Just last month, when a banner opposing Mr. Xi was unfurled on a highway overpass in Beijing, it was viewed as an exceptionally rare act of public defiance. On Sunday, many protesters were willing to express their discontent in full view of the police.

While some scuffling ensued, Beijing's police forces appeared to seek to avoid provoking the protests further. By early Monday morning, as police were in the process of dispersing remaining crowds, cars began to honk in a deafening show of support for the protesters, with many drivers showing a thumbs-up.

Signs that unrest after the deadly fire in Urumqi was spreading beyond Xinjiang became apparent Saturday, when videos circulating on social media showed crowds gathering in central Shanghai calling for a lifting of lockdowns. The videos were verified by Storyful, a social-media research company owned by News Corp, parent company of The Wall Street Journal.

One clip showed protesters standing around a sign that says Wulumuqi Middle Road, named after Urumqi. The protest started as a spontaneous and quiet memorial service for the dead in Urumqi, with people carrying flowers and candles, according to witnesses.

One middle-aged Shanghai resident said he stopped by on his way home and joined the crowd in singing songs, including "Do You Hear the People Sing?" from the musical "Les Misérables" and the Chinese national anthem.

Using call-and-response chanting, some protesters began to denounce both Mr. Xi and his Covid-control strategy. Another clip from the scene showed protesters standing across from lines of police.

The clip showed a man chanting, "The Communist Party." Others responded, "Step down."

"Xi Jinping," the man shouted. "Step down," others responded.

The Journal spoke with people in Shanghai and Nanjing who confirmed that clips showed protests taking place in those cities on Saturday.

On the campus of Peking University on Saturday, students wrote anti-Covid protest slogans in red paint, according to a student who participated.

On Chinese social media, users raced against censors to spread images and news of the protests, along with expressions of solidarity. Some posted an image of a blank sheet of paper—a nod to censorship—with the words "I love you, China. I love you, young people."

The protests continued Sunday, with students gathering around noon on the campus of Tsinghua University, an elite school in Beijing. Some in the crowd carried sheets of paper that were blank, according to video footage shared with the Journal. The students sang songs and chanted "Democracy and rule of law!"

A school official spoke to the crowd with a megaphone and asked if they would agree that things were getting better since the government unveiled measures to reduce restrictions earlier this month, the footage showed. Several in the crowd responded "No!"

Peking University and Tsinghua didn't respond to requests for comment. A person answering the phone at the Shanghai municipal government said no one was available to answer questions. Calls to the Beijing municipal government rang unanswered.

Urumqi officials last week attributed the delay in putting out the fatal fire to too many cars parked in the compound. On Saturday, Urumqi officials said normal activities would gradually resume in areas considered at low risk for Covid.

The protests highlight the toll on Chinese society from a Covid-19 strategy built around mass testing and confinement to quash outbreaks—an approach that has become increasingly unsustainable.

—Stella Yifan Xie, Liyan Qi and Cao Li contributed to this article.

Xi Pressured As Economic Fixes Falter

By Stella Yifan Xie

HONG KONG—China's recent steps to adjust Covid-19 controls and revive activity in the beaten-down property market stirred hopes that Chinese leader Xi Jinping is putting fresh emphasis on measures to support the economy, potentially leading to a strong rebound in growth next year.

But economists warn the moves so far haven't amounted to a broad shift in Mr. Xi's policies, and the messaging out of the recent Communist Party Congress only reinforced that the Chinese leader planned to stick to his goals of achieving economic self-sufficiency and "common prosperity"—even at the cost of lower growth rates.

The initial reaction in the market was negative early Monday. Hong Kong's benchmark Hang Seng Index, which is dominated by Chinese stocks, was down more than 4% after the market opened. It recovered some ground but was still trading down around 2% by midmorning. The Chinese domestic CSI 300 index was down 1.6%.

Hao Hong, chief economist at Grow Investment Group, said some investors see spreading protests against Covid-19 restrictions as an excuse to take profits after the Hang Seng gained more than 17% so far in November.

While China's economy is expected to recover somewhat in 2023 after a major slump this year, many economists doubt it will return to the heady expansion of prepandemic days soon, if ever.

In the short run, demand for Chinese exports is falling as Western consumers cut spending. Some cities are restoring strict Covid-control measures as Covid cases spike, suggesting China's path toward living with the virus will be bumpy. And home sales, dismal for months, continue to slump despite mortgage rate cuts and other measures to revive sentiment.

On Friday, China's central bank said it would lower the amount of reserves banks must hold against their deposits to boost lending to households and businesses, but economists said the move would likely have limited impact given weak appetite for new loans.

In the longer term, China faces other challenges, including an aging population, high debt levels and pressure from the U.S., which is trying to restrict China's access to semiconductors and other technologies.

As a result, "we believe China's potential growth will be meaningfully lower than previously thought," economists at Goldman Sachs wrote in a recent note to clients.

Although they predict China's economy will bounce back some in the second half of 2023, as more Covid controls are lifted, beyond that they see growth of only around 4%—well below prepandemic levels, when growth averaged 8.6% in the decade until 2019.

Louis Kuijs, chief economist for Asia Pacific at S&P Global Ratings, predicts average annual growth of 4.4% between now and 2030, before dropping to 3.1% in the following decade. He cites headwinds including China's shrinking working-age population and rising geopolitical tensions.

Mr. Xi appears eager to keep China's downturn from getting significantly worse, economists say. But he doesn't seem to want to do much more than that, after warning repeatedly in recent years that too-rapid growth could exacerbate financial imbalances in the economy and widen the gap between rich and poor.

WORLD NEWS

U.S. Effort to Arm Taiwan Hits Delays

WASHINGTON—U.S. government and congressional officials fear the conflict in Ukraine is exacerbating a nearly $19 billion backlog of weapons bound for Taiwan, further delaying efforts to arm the island as tensions with China escalate.

By ***Gordon Lubold, Doug Cameron*** *and* ***Nancy A. Youssef***

The U.S. has pumped billions of dollars of weapons into Ukraine since the Russian invasion in February, taxing the capacity of the government and defense industry to keep up with a sudden demand to arm Kyiv in a conflict that isn't expected to end soon. The flow of weapons to Ukraine is now running up against the longer-term demands of a U.S. strategy to arm Taiwan to help it defend itself against a possible invasion by China, according to congressional and government officials familiar with the matter.

The backlog of deliveries, which was more than $14 billion last December, has grown to $18.7 billion, according to congressional officials and others familiar with the matter. Included in the backlog are an order made in December 2015 for 208 Javelin antitank weapons and a separate one at the same time for 215 surface-to-air Stinger missiles. None of them have arrived on the island, according to congressional sources and people familiar with the matter.

The weaponry is part of Washington's "porcupine" strategy to arm Taiwan in a way that raises the cost to China should it decide to invade. U.S. military officials said two years ago that Beijing could be poised to reunify with Taiwan forcibly as early as 2026.

TAIWAN MINISTRY OF NATIONAL DEFENSE VIA ASSOCIATED PRESS

Taiwan President Tsai Ing-wen, right, and aides at a briefing during an August visit to a naval station.

A spokeswoman for the Taiwan government in Washington, D.C., declined to comment on arms sales, but officials from the island have previously expressed concern about delays.

"Taiwan would like to request that the weapons the U.S. sells to Taiwan be delivered as scheduled," Gen. Wang Shin-lung, the vice minister for armaments at Taiwan's Ministry of National Defense, said last month.

Neither the State Department nor the Pentagon would acknowledge the backlog or provide details on which weapons to Taiwan might have been delayed, but the U.S.-China Economic and Security Review Commission warned of delays to weapons such as Stingers and Paladin self-propelled howitzer artillery.

"The diversion of existing stocks of weapons and munitions to Ukraine and pandemic-related supply-chain issues have exacerbated a sizable backlog in the delivery of weapons already approved for sale to Taiwan, undermining the island's readiness," the commission, a government auditing and monitoring body, said in a report this month.

U.S. officials acknowledged delays to arms deliveries to Taiwan, but say that those purchases are all new off the production line, while the Stingers and Javelins headed to Ukraine come from existing stockpiles within the U.S. arsenal. "We continue to diligently work to provide capabilities to Taiwan as fast as possible while also making sure Ukraine can defend itself against Russian aggression," said Sabrina Singh, a Pentagon spokeswoman.

In May, when asked about Taiwan's announced plans to look at alternatives to the delayed howitzers, John Kirby, then a Pentagon spokesman, said Ukraine wasn't the cause of the backlog. He said deliveries to Ukraine were drawn from existing stockpiles, which "is a different method of providing military articles than what is being provided to Taiwan."

Executives at **Lockheed Martin** Corp., **Boeing** Co. and other defense companies say pandemic-driven supply-chain problems have set back production for many systems.

—Charles Hutzler contributed to this article.

Canada Hardens Stance On China

BY PAUL VIEIRA

Canada on Sunday called China a "disruptive" global force that must be contained, the latest salvo against Beijing as Ottawa embraces a less friendly approach toward the country following a high-stakes U.S.-China battle over telecommunications.

The comment came as Canada unveiled a revised policy framework for dealing with the Asia-Pacific region, with a particular focus on China. Canada says the new policy is in response to China's assertive pursuit of economic and security interests, as well as foreign-interference activities, in countries such as Canada, and to what it called China's "coercive treatment" of other nations.

Canada and China have traded barbs since 2018 when Canada arrested a senior executive of China's Huawei Technologies Co. on behalf of the U.S., an event followed by the imprisonment of two Canadians in China.

This is a "reorientation of our foreign policy that we haven't seen in a long time, because there's a generational global shift happening," Mélanie Joly, Canada's foreign minister, said at an event in Vancouver, British Columbia.

The Chinese Embassy in Ottawa didn't respond to a request for comment. Earlier this month, the embassy criticized Ms. Joly for her remarks regarding the threat posed by China, saying her comments "distorted the truth."

WORLD WATCH

SOMALIA

Al-Shabab Attacks Mogadishu Hotel

Somali security forces were attempting to flush out armed assailants from a hotel in the Somali capital Mogadishu, a police spokesman said Sunday, after the extremist group al-Shabab claimed responsibility for the attack. There was no immediate word of any casualties.

Al-Shabab said in a broadcast that its fighters attacked the hotel Villa Rose, which has a restaurant popular with government and security officials.

Scores of people were rescued from the hotel and security forces launched an operation to remove the assailants, a police spokesman told state media.

Abdi Hassan, who lives nearby, said he believes several government officials were inside the hotel when the attack started. Some jumped a wall to safety, he said.

—Associated Press

IRAN

Commander Warns Against Protests

Iran's top paramilitary commander on Sunday visited a restive province in eastern Iran, where the military has attempted to violently suppress a two-month-old protest movement, to warn locals against further unrest.

Maj. Gen. Hossein Salami, the commander in chief of the Islamic Revolutionary Guard Corps, traveled to Sistan-Baluchistan's capital of Zahedan, according to the Fars news agency. He threatened more crackdowns on protesters he alleged were being manipulated by foreign powers.

"We will definitely turn this huge sedition scene, and this world war into a burial ground for the policies of America, Israel and its allies," he said.

—Benoit Faucon

VATICAN

Church Says China Broke Agreement

The Vatican accused China of violating a power-sharing agreement on the appointment of bishops, expressing growing frustration over its relationship with Beijing as China seeks to tighten control of religion.

Chinese officials installed a bishop as leader of a diocese unrecognized by Rome, the Vatican said Saturday. China's Foreign Ministry didn't respond to a request for comment.

—Francis X. Rocca

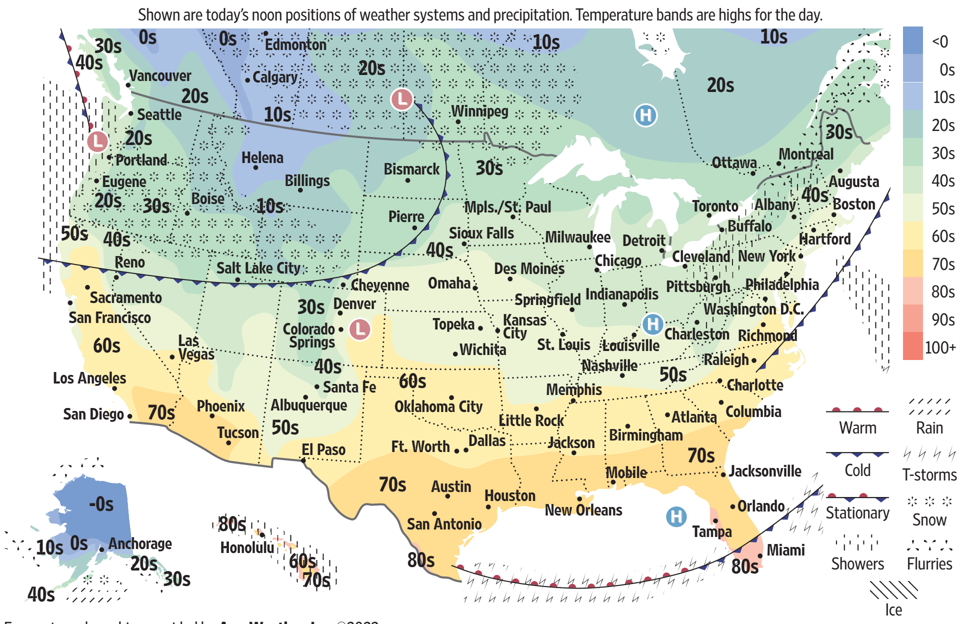
SALVATORE LAPORTA/ASSOCIATED PRESS

DEVASTATION: People removed mud and debris Sunday after heavy rain triggered a landslide on the southern Italian island of Ischia. Search teams recovered seven dead, while five people were missing.

Weather

AccuWeather | Go to AccuWeather.com

Shown are today's noon positions of weather systems and precipitation. Temperature bands are highs for the day.



Forecasts and graphics provided by **AccuWeather, Inc.** ©2022

U.S. Forecasts

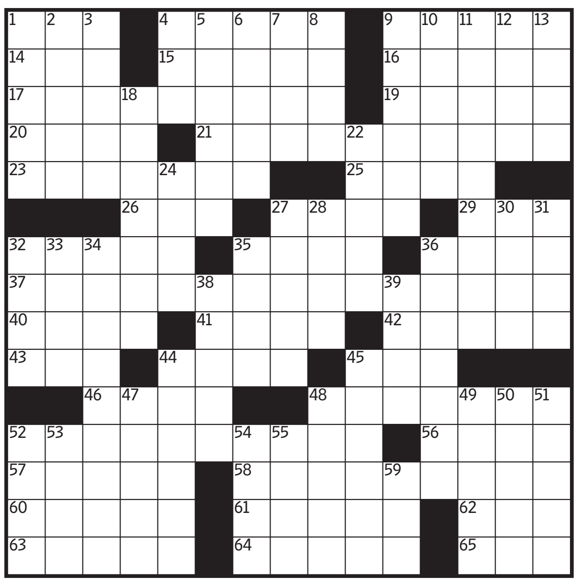
s...sunny; pc... partly cloudy; c...cloudy; sh...showers; t...t'storms; r...rain; sf...snow flurries; sn...snow; i...ice

City	Today Hi	Lo	W	Tomorrow Hi	Lo	W
Anchorage	8	-5	s	8	-5	s
Atlanta	65	46	s	68	57	s
Austin	72	57	s	79	45	sh
Baltimore	56	33	pc	51	42	pc
Boise	37	19	sf	31	25	c
Boston	53	32	pc	43	37	pc
Burlington	39	24	c	38	32	c
Charlotte	66	41	s	65	51	pc
Chicago	47	40	s	56	27	c
Cleveland	43	36	c	55	50	c
Dallas	67	57	s	79	34	c
Denver	54	18	pc	22	8	sn
Detroit	44	34	c	52	47	c
Honolulu	80	73	sh	83	73	c
Houston	73	61	s	81	52	t
Indianapolis	47	39	pc	59	37	c
Kansas City	54	44	s	60	22	pc
Las Vegas	63	42	s	55	37	s
Little Rock	61	47	s	65	41	t
Los Angeles	65	49	pc	67	47	pc
Miami	86	73	pc	83	75	pc
Milwaukee	46	38	pc	54	26	pc
Minneapolis	41	30	c	32	17	sn
Nashville	59	44	s	68	50	t
New Orleans	72	63	s	77	69	c
New York City	53	35	pc	47	42	s
Oklahoma City	61	49	s	68	25	s
Omaha	55	35	pc	39	14	sn
Orlando	79	58	pc	81	63	s
Philadelphia	56	34	pc	50	42	pc
Phoenix	70	47	pc	66	47	s
Pittsburgh	44	36	c	54	46	c
Portland, Maine	48	24	c	40	30	pc
Portland, Ore.	45	31	sh	42	40	c
Sacramento	61	37	pc	58	32	s
St. Louis	55	45	s	63	30	c
Salt Lake City	38	24	sn	31	16	c
San Francisco	59	42	pc	57	41	s
Santa Fe	48	26	pc	42	14	pc
Seattle	41	28	sn	38	35	c
Sioux Falls	46	24	c	28	10	sn
Wash., D.C.	58	38	pc	54	45	pc

International

City	Today Hi	Lo	W	Tomorrow Hi	Lo	W
Amsterdam	50	43	sh	48	41	c
Athens	57	47	r	61	52	pc
Baghdad	72	55	c	78	58	pc
Bangkok	92	76	t	91	77	t
Beijing	57	19	pc	26	0	pc
Berlin	43	36	c	40	31	c
Brussels	48	38	sh	47	35	c
Buenos Aires	84	73	s	85	66	pc
Dubai	89	70	s	93	73	s
Dublin	49	37	s	49	42	pc
Edinburgh	46	34	pc	46	35	c
Frankfurt	45	40	c	41	38	c
Geneva	43	42	r	43	39	pc
Havana	86	68	pc	86	69	pc
Hong Kong	81	73	s	83	69	s
Istanbul	56	52	c	58	52	c
Jakarta	92	78	t	93	78	t
Jerusalem	67	50	c	60	44	pc
Johannesburg	72	50	t	72	52	pc
London	50	42	c	49	40	c
Madrid	52	35	s	52	37	c
Manila	90	76	s	91	76	t
Melbourne	68	50	pc	69	50	pc
Mexico City	75	51	pc	75	53	c
Milan	44	38	c	40	36	c
Moscow	24	21	c	30	16	c
Mumbai	88	72	pc	90	73	pc
Paris	51	43	sh	47	36	c
Rio de Janeiro	81	73	r	80	75	r
Riyadh	81	58	c	80	58	pc
Rome	59	47	c	58	44	c
San Juan	85	73	pc	84	73	pc
Seoul	63	57	r	58	19	c
Shanghai	74	60	r	61	35	c
Singapore	86	76	sh	85	77	t
Sydney	76	59	pc	75	54	s
Taipei City	86	74	s	84	65	pc
Tokyo	62	53	pc	65	61	r
Toronto	40	30	c	43	40	c
Vancouver	37	23	c	33	32	sn
Warsaw	36	25	c	34	21	c
Zurich	47	41	c	42	41	sh

The WSJ Daily Crossword | Edited by Mike Shenk



POTTER'S FIELD | By Mike Shenk

Across

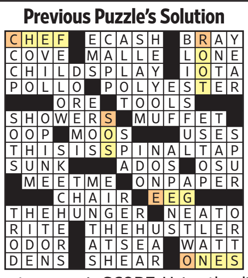
1 In the style of
4 Sphinx setting
9 Glossy fabric
14 Opposite of "oui"
15 Refrain syllables
16 Wear down
17 *Whisk's kin
19 Instrument in a string quartet
20 Get out of bed
21 *Antiaircraft missile
23 Stood in for
25 ___ Minor (Polaris's constellation)
26 Daiquiri liquor
27 Beavers build them
29 Cooking spray name
32 New York mayor between Lindsay and Koch
35 Brand with a hedgehog mascot
36 Ali ___
37 *Unprincipled lawyer
40 Skyline obscurer
41 Stimulus
42 Newark's county
43 Water, in France
44 Cry like a baby
45 Zoom session need, for short
46 Snare
48 University of Wyoming site
52 *Controller of access
56 Campsite sight
57 "The Color Purple" writer Walker
58 Wizarding sport whose positions are the ends of the starred answers
60 Madagascar mammal
61 Peptic problem
62 Regret
63 Suspicious
64 You can write on them with an Apple Pencil
65 NHL legend Bobby

Down

1 "It's the end of ___"
2 Spock's specialty
3 Feeling of dread
4 Summer, in France
5 Lindsey in the Senate
6 "Breaking Away" director Peter
7 Entreaty
8 Pucker-causing
9 Cuts off
10 Sign for April Fools babies
11 Said "Not for me, thanks"
12 Not busy
13 In the neighborhood
18 Stein
22 Cashew family tree
24 Event featured in "Hamilton"
27 Windshield sticker
28 Long in the tooth
30 Have ___ in one's bonnet
31 "Das Kapital" author
32 Diamond corner
33 Watson who played Hermione
34 "Finally!"
35 Park City powder
36 Long-grain rice variety
38 Noticeably shocked
39 Catch word of
44 Napoleon's birthplace?
45 Verified to be old enough to enter
47 Happen twice
48 Olympus rival
49 Paris subway
50 Become burdened with
51 Old anesthetic
52 Insolence
53 Out of the wind, nautically
54 Start for distant or lateral
55 Orange juice bits
59 HMO participants

▶ Solve this puzzle online and discuss it at **WSJ.com/Puzzles.**

Previous Puzzle's Solution



The contest answer is SCORE. Using the digits of the year (as suggested by the clue for YEAR at 13-Down) for each theme movie title, if you take the letters in those four positions, you get a word (like CALL from the letters of CHILDSPLAY in positions 1, 9, 8 and 8). The resulting words (CALL, PREP, TIPS, TREE, TEST) are the first words of five clues, and the first letters of the answers to those clues spell the contest answer.

Private Takeover Falls Short

Continued from Page One

Protesters crowded San Juan streets in September, demanding the government cancel Luma's contract, which reimburses the company for its expenses and provides it with fees that are expected to top $120 million this year. Political support for Luma has weakened, with some legislators who backed the deal calling for changes as Luma's contract comes up for long-term renewal. Skeptics are questioning Puerto Rico's decision to end its decades of dependence on a troubled state-run electricity service and outsource the job to a private outside business.

ERIKA P. RODRIGUEZ FOR THE WALL STREET JOURNAL (2)

Transmission power lines, above, between the towns of Juana Diaz and Santa Isabel. Tired of Puerto Rico's high electricity prices, Carlos Torres, below, is hoping to upgrade an outdated rooftop solar system at a plant nursery he co-owns in Guayanilla.

Luma Chief Executive Wayne Stensby said the company didn't anticipate the extent of the problems before it began the extensive work needed to rebuild the aging grid. He said Luma has improved customer service by establishing local call centers and new digital tools while it addresses the issues.

"We get it. We live here too," he said. "Outages have become a topic or a focus, and fair enough."

Supporters said the private company has done the best it can under challenging circumstances as it tackles a decades-old network of more than 33,000 miles of transmission and distribution lines traversing mountains, rain forests and coastal lowlands prone to flooding. Much of it has been poorly maintained and repeatedly damaged by storms.

Years of neglect

"Overall, Luma has performed reasonably," said Fermín Fontanés, executive director of the Puerto Rico Public-Private Partnerships Authority, the government agency known as the P3A, which administers Luma's contract. He said the grid system in Puerto Rico suffered from years of neglect, underinvestment, politicization, and mismanagement prior to Luma's arrival and that its performance "cannot be viewed in a vacuum."

The government has also stressed the need for Luma to better anticipate likely outage events, communicate with the public, increase its workforce and manage the tropical vegetation that is at the root of most outages, Mr. Fontanés said.

Luma has said that in addition to the infrastructure problems, it found the labor force to be less skilled than anticipated and record keeping in disarray. Demonstrators at times blocked access to facilities, and employees faced security threats.

In the privatization deal, Luma assumed responsibility for grid improvements from the state-run Puerto Rico Electric Power Authority, or PREPA. The agreement gave Luma authority to assess the grid and determine how to spend the revenue PREPA collects from customers, as well as more than $10 billion in funding from the Federal Emergency Management Agency after Hurricane Maria.

Puerto Rican officials moved to privatize the operation of the power grid after Hurricane Maria in 2017. The category-4 storm damaged or destroyed 80% of the grid and exposed inefficiencies within PREPA, which had sought bankruptcy protection that year and has yet to emerge.

PREPA didn't respond to requests for comment.

In 2019, officials requested proposals from the private sector for the formidable task of rebuilding the delivery system. They received a bid from one large U.S. utility company plus one from a business formed specifically for the job—Luma.

Luma is a joint venture of Quanta Services Inc., a Houston-based contractor servicing energy and communications infrastructure in North America and Australia, and Atco Ltd. of Calgary, Alberta, which operates a suite of energy, transportation and infrastructure companies and utilities serving parts of Alberta. Neither had significant experience in Puerto Rico. Officials from Quanta and Atco didn't respond to requests for comment.

Officials chose Luma, saying it proposed better terms. Its tenure began in June 2021 following a year-long transition period.

Angry union

Luma said its hiring process would give priority to PREPA employees, but it decided not to recognize a collective-bargaining agreement PREPA had with a labor union. Thousands of angry union members refused to work for Luma, many transferring to other government agencies.

"Losing literally hundreds of years of accumulated experience on this particular electrical system, I think, was a huge mistake on their part," said Cathy Kunkel, energy program manager at Cambio PR, a nonprofit focused in part on energy sustainability. "It's precisely so important to have that experienced workforce because the system is in disarray."

Rolando Emmanuelli Jiménez, a lawyer for PREPA's employee union, said the privatization created a "double payroll" for the government, which pays for the displaced PREPA workers as well as Luma's new workforce.

Luma, which began recruiting workers in the U.S. and elsewhere, says it supports the labor rights of its employees, most of whom are now represented by the International Brotherhood of Electrical Workers.

Luma has told regulators it encountered a "substantial gap" in the safety and technical skills of PREPA's workforce. It said it has had to spend more money than anticipated on training programs.

Outages inspired rapper Bad Bunny to record 'El Apagón,' or 'the blackout.'

The company told regulators it arrived to find a system in near shambles, with critical equipment out of service or beyond repair. In response to threats to its employees, it hired security escorts to follow them to job sites. Luma said it obtained a restraining order to break up blockades of its facilities, including one that had been overtaken and occupied.

The company also said it couldn't find hundreds of vehicles PREPA listed as part of its inventory. One Luma budget item includes funding to "continue the search for the 677 fleet units."

Mr. Stensby said Luma located some of the missing vehicles in various states of disrepair, adding that it is unclear whether PREPA's fleet records accurately reflected the total.

"The records that we now have the chance to work with are just generally very poor across the board," he said.

Luma proposed an ambitious goal of investing more than $500 million of federal funding in power-line and substation projects during its first year. With unanticipated problems in receiving project approvals, it spent just under $35 million, financial records show. The company said hundreds of projects are in various stages of the approval process.

Mr. Stensby said Luma had difficulty working with PREPA to complete and submit the applications needed to get funding for projects. "It's fair to say that they weren't nearly as successful in that effort as we had anticipated when we put forth those budgets," he said.

Mr. Fontanés of the government agency P3A said that federal funds are only available after a series of approvals at the local and federal levels, and only after time-consuming architectural and engineering studies. Those studies are underway for $4.5 billion in federally-funded projects, many of which will be submitted for final approvals in the coming months and years, Mr. Fontanés said.

Luma also has access to PREPA's funding, and had planned to use it to invest more than $120 million to improve power lines, substations and other infrastructure during its first year. It ended up reallocating $47 million of that money to fund operating costs related to labor issues and other unanticipated problems. Luma plans to reinstate some deferred capital projects, Mr. Stensby said.

As Luma struggled to get grid projects off the ground, outages became slightly less frequent but longer on average, regulatory filings show. Luma has said that outages are lasting longer because it has to shut down infrastructure to make the necessary repairs and updates.

It also faces outage risks stemming from the poor condition of the island's power plants, which are still owned by PREPA. A broad power-plant breakdown forced Luma to call for rolling blackouts when electricity demand threatened to exceed supply in August and September 2021.

Puerto Rico officials are in negotiations to cede control of the power plants to one of the island's largest gas suppliers, Houston-based New Fortress Energy, in hopes it would invest in plant upgrades, according to people familiar with the matter.

In April, a fire at a power plant caused an island-wide outage. Protesters took to the streets as Luma worked to restore power over several days.

For some residents, Hurricane Fiona in September was the last straw. It damaged the network of low-voltage power lines serving homes and businesses, causing more than half of circuits to need repair.

Puerto Rican rapper Bad Bunny (real name Benito Antonio Martínez Ocasio), added his voice to the protests in September with the release of "*El Apagón*," or "the blackout." Its music video, with about 10 million views on YouTube, features interviews with residents speaking of hardships from the blackouts.

Democrats on the U.S. House Energy and Commerce Committee sent Mr. Stensby a letter in October criticizing Luma's limited progress in improving service on the island. The letter said outages such as September's raise "concerns that LUMA has failed to adequately develop and maintain crucial electrical infrastructure."

Luma's future on the island is uncertain as legislators debate their options, said Tom Sanzillo, who has studied Luma's contract at the Institute for Energy Economics and Financial Analysis, a research institute.

"In Puerto Rico, the politics is volatile," he said. "Now is the time, and they'll have to make some decisions as to what to do."

Limited leverage

Puerto Rico Gov. Pedro Pierluisi, who defended Luma's performance for months this year, has been pressuring the company to make changes in its executive ranks and improve reliability. At a U.S. congressional hearing earlier this month, the governor said that ending the Luma deal would disrupt service for its 1.5 million customers and delay planned improvements to the grid system.

"That is, to me, is out of the question," he said.

His government has limited leverage because there are few potential replacements that would consider doing business with PREPA, and likely none that would operate the grid on better terms, according to the San Juan-based Center for a New Economy, a nonpartisan think tank. And many public officials are loath to return the power grid to PREPA, given its track record.

Carlos Torres, 50, who co-owns a plant nursery, said some residents are skeptical of Luma because they recall the privatization of Puerto Rico's state-run telecommunications company in 1998, when protesters sabotaged phone lines and a general strike briefly paralyzed commerce. "It doesn't make you feel good when they bring someone from the outside and pay them money they'd never pay you to do a job that you think you could do better," Mr. Torres said.

Puerto's Rico's electricity prices, long high, are prompting residents to look for alternatives such as generators or solar systems. Mr. Torres is trying to find the money to upgrade an outdated rooftop solar system at his nursery, located in the coastal municipality of Guayanilla.

"You have to roll with it and get used to the inefficiency of the system," he said. "I would love to see change, and positive change, but I also have to be realistic."

Turkey Harbors a Name Beef

Continued from Page One

"Made in Türkiye" now appears on the country's exports. Turkish Airlines greets passengers "Hello, Türkiye" in a cheery video. Presenters on the country's English-language TV channel, TRT World, have flocked to the name, though occasionally stumbling over the guttural "ü" sound.

But it doesn't always fly among think tanks, embassies, media or in the behemoth bureaucracy that is the U.S. government.

In Washington, for instance, the White House, National Security Council and Defense and Treasury Departments have migrated to Türkiye for all official statements. The State Department, which typically green-lights such name shifts, remains undecided, according to conversations with numerous policy officials.

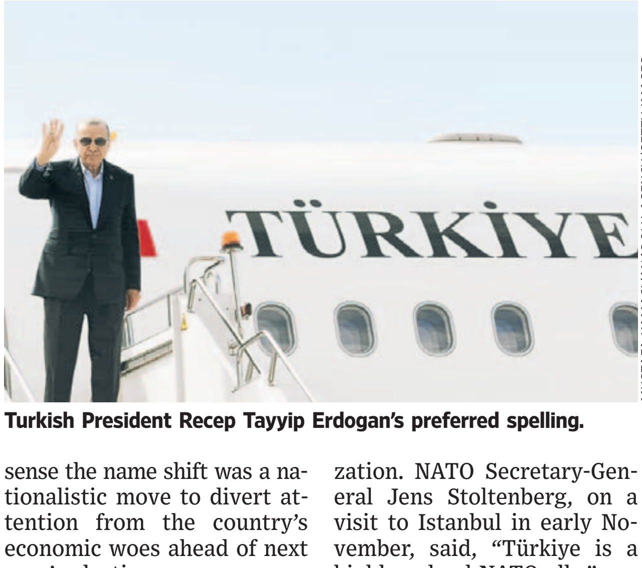
Things can get odd. Only one State Department statement issued from Washington appears to have used the term, a Sept. 10 reference to a visit to Türkiye by Rashad Hussain, U.S. ambassador-at-large for international religious freedom. Statements that followed reverted to the anglicized version, Turkey.

On Nov. 2, the U.S. ambassador in Ankara, former Arizona Sen. Jeff Flake, tweeted "Kudos to Türkiye" for its help brokering a grain deal between Ukraine and Russia. The same day, the State Department avoided mentioning the country's name in a readout of a call between Secretary of State Antony Blinken and the "Turkish foreign minister."

A State Department spokesman said: "It's less important what we call our Turkish allies and more how we speak about them and the important work we do together."

Explanations for the hesitation vary. Many officials said the agency will likely follow suit eventually. Some at the NSC said people there weren't even aware the State Department hadn't made a change. "The umlaut is a pain in the ass to type," said another official, echoing many others, about making a u with two dots on an English-language keyboard.

And several noted there's a sense the name shift was a nationalistic move to divert attention from the country's economic woes ahead of next year's elections.



MUSTAFA KAMACI/ANADOLU AGENCY/GETTY IMAGES

Turkish President Recep Tayyip Erdogan's preferred spelling.

The Turkish foreign ministry didn't respond to a request for comment on the reasons behind the change.

Still, Soner Cagaptay, a Turkish-American political scientist at the Washington Institute think tank said: "If you want to get on Erdogan's good side these days, you want to call Turkey Türkiye."

Such was the case with Sweden and Finland, which quickly adopted the change, hoping to sway Mr. Erdogan to support their bids to join the North Atlantic Treaty Organization. NATO Secretary-General Jens Stoltenberg, on a visit to Istanbul in early November, said, "Türkiye is a highly valued NATO ally."

France, by contrast, which has a tense relationship with Mr. Erdogan's ruling party, continues to refer to "Turkey" in English and to use the French "Turquie" in official communiqués.

Even the home country's government has been inconsistent, with Turkish embassies in Latin America still using the Spanish "Turquía."

New York officials veered all over the map at a Turkish flag-raising ceremony in lower Manhattan last month.

"Long live Türkiye," said Manuel Castrol, commissioner of the Mayor's Office of Immigrant Affairs.

Ibrahim Kurtulus, a Turkish-American community activist, echoed: "God Bless the Republic of Türkiye. God Bless America."

Then he welcomed Mayor Eric Adams, who went in another direction. Mr. Adams thanked "the people of Turkey." He praised "the spirit and the history of Turkey." The mayor was aware of the government's preference but made a mistake in the moment, said a spokeswoman.

"Old habits are hard to break," Mr. Kurtulus later said. "The change will take some time, but it's a start, and I'm glad it was initiated."

Mr. Kurtulus grew emotional as he recalled being taunted in childhood with chants of "Turkey Turkey, gobble gobble" from classmates on Staten Island. "We worked very hard to lobby Ankara to change the name," he said.

The move by Mr. Erdogan's government involves the difference between what linguists call the "exonym"—the name for a place or thing in other languages, and the "endonym"—the local name.

His government isn't changing Turkey's name but demanding countries use the Turkish spelling and pronunciation rather than render the name in their own languages.

Most U.S. media organizations, including The Wall Street Journal, have stuck to spelling the name the anglicized way.

Even many Turkish citizens, when speaking English, still say "Turkey."

"What use is it for us?" asked Murat Demir, a 49-year-old graphic designer in Istanbul. "We say 'ABD,' Americans say 'USA.' Germans say 'Bundesrepublik Deutschland,' we say 'Almanya.' Why try to impose Turkish name of our country on other nations?"

According to various historians, the Thanksgiving bird got its name sometime in the 1500s when it arrived to Great Britain from America via merchants, most from Constantinople, known today as Istanbul. Given the perceived origins, the British referred to the bird as a "Turkey coq."

"There is deeply held resentment towards the West by Erdogan and others that Turkey's name is synonymous with a bird," Mr. Cagaptay said. "The ironic part is that the bird is named after the country, not the country after the bird."

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MIKE MCQUADE FOR THE WALL STREET JOURNAL

New Help for a Group at Risk For Suicide: Middle-Aged Men

Researchers are investigating approaches to fight a long-running mental-health problem

By Andrea Petersen

Doctors and psychologists are testing new ways to treat a long-running mental-health crisis: high rates of suicide among middle-aged and older men.

Men overall have a suicide rate between three and four times as high as women, according to data from the Centers for Disease Control and Prevention. One reason is that men tend to choose more lethal means—most often firearms—when they attempt. Men are also less likely than women to seek mental-health help. And men's anxiety and depression often come across as anger or irritability rather than worry and sadness, so conditions that can raise the risk of suicide can go undiagnosed and untreated.

Researchers are investigating new approaches amid rising concern about mental health coming out of the pandemic, and after years in which suicide rates remained stubbornly high. One study found promise in men's groups aimed at building resilience and camaraderie, particularly among men struggling with the transition to retirement. Another asks men to create "hope kits" with reminders of what they have to live for, such as pictures of loved ones. Another study used videos to show men how they might talk to their doctors about suicidal thoughts, with language that frames getting help as a way of taking charge.

"For many men, by the time we're in middle age, the idea that we should keep our vulnerabilities to ourselves is so overlearned, so well-rehearsed," says Michael Addis, a professor of psychology at Clark University in Worcester, Mass.

For years, middle-aged and older men were the groups most likely to die by suicide. The suicide rate in 2020 was 27.3 per 100,000 among men ages 45 to 64, and 40.5 per 100,000 among men ages 75 and older, according to the most recent CDC data. The rate among men ages 25 to 44 overtook that of 45- to 64-year-old men in 2020, to rise to 28.3 per 100,000.

Loneliness and social isolation are risk factors, and men tend to become more socially isolated as they age, Dr. Addis notes. Men are also more likely to self-medicate with drugs and alcohol, which can mask other mental-health issues and lower inhibitions.

Health problems, physical pain and the losses that can begin to emerge in midlife can hit men hard, says Sherry Beaudreau, a clinical

Men overall have a suicide rate between three and four times as high as women.

psychologist and lead investigator of a continuing U.S. Department of Veterans Affairs-funded study of a problem-solving therapy to reduce suicidal thinking in older veterans, the majority of whom are men. Dr. Beaudreau's treatment, like some others being tried, modifies an existing therapy, which could make implementing it easier and quicker.

Marnin J. Heisel, a professor of psychiatry at the University of Western Ontario, is examining "meaning-centered" groups for men, especially those having trouble with the transition to retirement. Men complete exercises such as reflecting on the positive impact they've made on others and imagining how they can keep contributing to their families and communities. The support and camaraderie the groups engender are also important, Dr. Heisel says.

After 12 sessions, participants in the groups reported significantly higher scores on measures of life satisfaction and psychological well-being, and significant reductions in symptoms of depression and thoughts of killing themselves, according to a study involving 30 men ages 55 and older published in 2020 in the journal Clinical Gerontologist.

Researchers at the University of Pennsylvania's Perelman School of Medicine are testing therapy to change the negative thoughts that can fuel distress associated with suicide risk and boost reasons for living, says Gregory K. Brown, director of the Penn Center for the Prevention of Suicide. As part of the treatment, men between the ages of 50 and 70 with suicidal thoughts create physical "hope kits" with reminders of what they have to live for.

Other efforts aim to identify at-risk men and encourage them to seek help. Researchers at the University of California, Davis and colleagues developed an interactive tablet-based computer program for men to use in the waiting room at their doctor's office. The program includes videos showing men discussing suicidal thoughts with their doctors.

"We use these sort of stereotypically masculine analogies that [discussing mental health] is taking charge, doing the right thing for you and your family," says Anthony Jerant, a professor and chair of the department of family and community medicine at UC Davis.

Men who used the program were much more likely to discuss their suicidal thoughts with their medical providers, according to a study involving 48 men with suicidal thoughts published in 2020 in the Journal of General Internal Medicine.

Men who are able to share their struggles can find help.

In the fall of 2019, Steve Siple, now 54, was in a dark place. He was between jobs, trying to break into a new industry and, with college on the horizon for the youngest of his three children, facing tremendous financial stress. He was also struggling with the transition to an empty nest. "I was searching for what's next in my life and the purpose," he says.

He had thoughts of killing himself. "I didn't tell anyone," he says. Not his wife and not his longtime therapist, who Mr. Siple had seen off and on for depression and anxiety in the wake of his own father's suicide.

A friend, sensing something was wrong, asked Mr. Siple if he was thinking about killing himself. Through tears, he admitted that he was.

"It was relieving but exhausting at the same time," said Mr. Siple, a senior manager at a financial-services technology company in Birmingham, Ala., who has volunteered with the American Foundation for Suicide Prevention.

The friend's question opened the door to get help, he says. He told his therapist about his thoughts and increased the frequency of his therapy sessions. He leaned on his family and his Christian faith.

"There should be no shame or stigma" around getting help for suicidal thoughts and behaviors, says Christine Yu Moutier, chief medical officer for the American Foundation for Suicide Prevention. "Prevention is possible."

DO YOU NEED HELP? *The contact number for the Suicide & Crisis Lifeline is 988.*

The Benefits of a 10-Minute Workout

By Jen Murphy

Finding time to exercise can create added stress as holiday chaos approaches. Here's the good news: You don't need an hour to do it.

Better fitness in 10 minutes or less sounds like an infomercial scam, but recent research has shown that short bouts of physical activity sprinkled throughout the day can have big benefits when performed correctly.

Experts say brisk walking, jumping rope, stair climbing, high-intensity interval workouts and other quick hits of activity that get the body moving and the heart rate up can bring positive results ranging from reduced blood pressure and anxiety to improved sleep quality and focus.

"All activity counts," says Martin Gibala, a kinesiology professor at McMaster University in Ontario. "Your heart doesn't know if you are running, biking or climbing the stairs. And physical activity doesn't have to be structured exercise. Dancing, playing with your kids or walking to the subway all count, especially if you up the intensity."

Dr. Gibala co-wrote a 2022 study that showed that "exercise snacks," or isolated vigorous exercise lasting under one minute and performed three to eight times throughout the day, can improve cardiovascular fitness and reduce your risk of high blood pressure and elevated blood sugar.

Exercise snacks can eliminate barriers such as the cost of a gym, the need for equipment and the time to get to a fitness facility or even change into gym clothes. The key to making them count is to push the intensity to a vigorous level, Dr. Gibala says. A brisk-paced walk like you would use not to miss your bus is considered moderate intensity, while a jog or run is vigorous, he says.

Public-health agencies, including the World Health Organization, generally suggest that adults do at least 150 minutes a week of moderate-intensity or 75 minutes a week of vigorous-intensity aerobic physical activity to promote health. Experts used to recommend at least 10 minutes at a time. The U.S. Department of Health and Human Services updated its guidelines in 2018 to say that any length of time could work.

How many quick hits do you need to make a real difference in your health? A study published in October in the European Heart Journal showed that approximately 15 to 20 minutes of vigorous activity a week accrued through short bouts resulted in a 16% to 40% lower mortality rate in study subjects. That is putting in just over two minutes of vigorous movement a day.

Short bouts of exercise can be particularly effective for people new to a fitness routine, says John Jakicic, a professor of physical activity and weight management at the University of Kansas Medical Center. He notes that according to research, brief spells of activity might enhance exercise adherence, promote weight loss and help curb hunger.

"We need to get away from an all-or-nothing approach and embrace a philosophy of something is better than nothing," says Dr. Jakicic.

GETTY IMAGES/ISTOCKPHOTO

'Exercise snacks' can eliminate the need to change into gym clothes.

"If you tell someone to do 30 minutes of exercise and they don't see a 30-minute opening on their calendar, they probably won't do it," he adds. "If you tell them to try to go on three 10-minute walks, they can usually carve out time to do at least one."

Walking is one of the easiest ways to move more, but Dr. Gibala says strength training is also important. To work your muscles and get your heart rate up, he suggests high-intensity circuits of body-weight exercises such as squats, lunges or push-ups. These can be done in a small office space, hotel room or at home, he adds.

Will you see performance gains from exercise snacks? Probably not, says Neal Pire, an exercise physiologist at the Gym in Englewood, N.J. "If you're training for a marathon, you need to log the miles," he says.

And if you are looking to shed pounds, diet must be a factor, Dr. Jakicic says. "You can eat through your exercise bout with one candy bar," he cautions.

But for overall well-being, brief spells of fitness can improve mental and physical health, and a few 10-minute sessions a day over time can really add up, he says.

Research has shown that incorporating four 10-minute brisk walks into your day is as effective at lowering blood pressure as 40 minutes of continuous moderate exercise. And given that American adults are sedentary for 55% of their waking hours, smaller blocks of exercise are a great way to undo the effects of sitting, screen time and desk slump.

"Prolonged sitting reduces brain blood flow, which starves the brain of the vital nutrients it needs to thrive," says Jennifer Heisz, an associate professor in kinesiology and director of the NeuroFit lab at McMaster University in Canada.

If you need more structure, online platforms might be the way to go. Among those that specialize in 10- to 15-minute workouts are streaming exercise-class platform Obé Fitness; Brrrn, which offers virtual workouts that use a slide board; and Tonal, an at-home digital weight machine company.

Vanessa Martin, a trainer and founder of New York-based SIN Workouts (SIN stands for strength in numbers), challenges those skeptical of the efficiency of a 10-minute fitness burst to complete an every-minute-on-the-minute—or EMOM—drill. Her full-body, body-weight workout requires you to perform exercises as intensely as possible for 60 seconds.

"The excuse of not having the time, and now, not having the equipment, have been eliminated," she says.

TRY A 10-MINUTE WORKOUT

Each one-minute exercise in this circuit-style workout can burn 60 to 75 calories if executed to its full potential, says Vanessa Martin, founder of SIN Workouts.

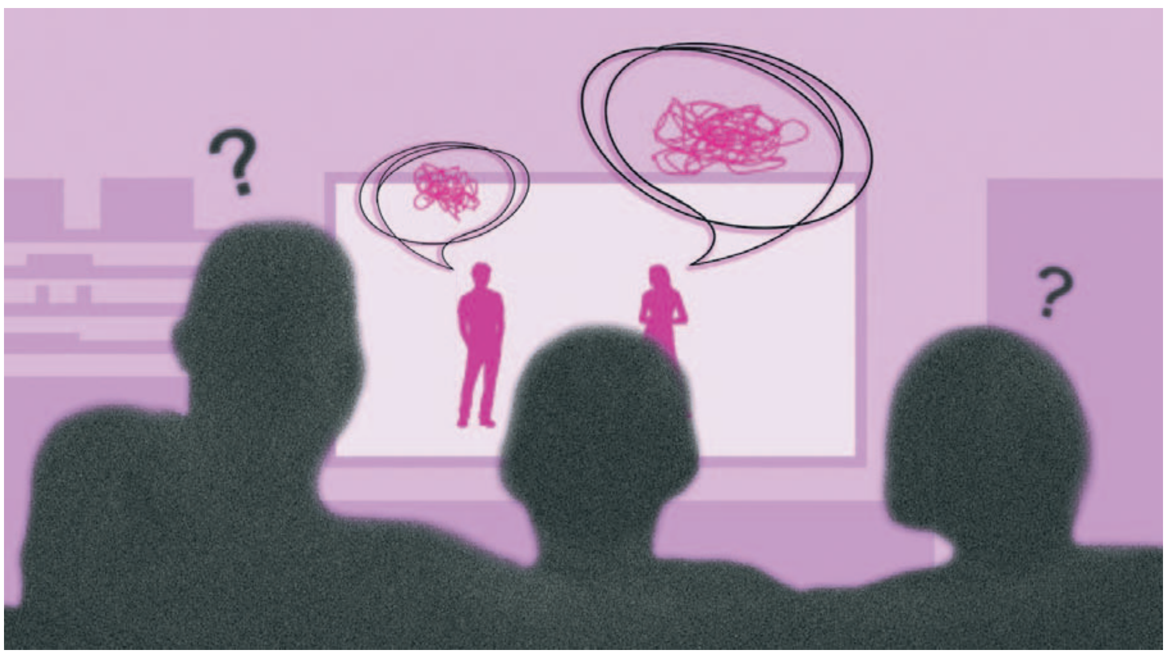
Repeat this circuit for 60 seconds during each odd minute: 1, 3, 5, 7, 9.
20 Jumping jacks
10 Jump squats
Five burpees

Repeat this circuit for 60 seconds during each even minute: 2, 4, 6, 8, 10.
10 Sumo squats
10 Alternating reverse lunges
10 Push-ups with alternating shoulder taps

Can't Hear Actors on TV? It's Probably Not You

You can do things to address audio issues introduced in production

By Cordilia James



Some people turn on closed captions because they like how it helps them understand the plotlines of shows and movies, and multitask in front of the tube. Others turn them on because they can't hear what actors are saying. That doesn't always mean they are hard of hearing.

Muddled audio is the top reason why more people are watching video with on-screen text, according to a May survey commissioned by language-teaching app Preply. As more video-production studios embrace advanced audio formats for at-home content, not every device can keep up. Plenty of viewers can't keep up, either.

"If you have people talking or shouting during the adventure scenes, the explode-y sounds are way higher than the dialogue," said Melanie Brooks, a 43-year-old professional musician in Boston. Catching some of the lines in her favorite fantasy and adventure TV series is hard without captions, she added.

People tend to blame their flat-screen TVs for bad sound. The tube TVs of decades past had front-facing speakers that sent audio toward you, while new, super-thin models have speakers that are behind the screen or point downward, bouncing sound away from you. But your TV is just one of the culprits.

The rest of the problem lies within virtually every other step of the audio process, from a studio's production choices to the device used to watch the content, said Richard Nevens, senior director of audio-hardware product management at Avid Technology, which specializes in audio and video-editing tools.

Sound mixers combine all the sound in the video, including dialogue, music and background noises, into the audio we hear when we watch movies and shows. The professionals have advanced audio capabilities at their disposal, but they might not translate clearly on devices that aren't built to support state-of-the-art audio, Mr. Nevens said. For this reason, a movie designed to sound great in a giant theater might not sound the same on your smartphone—or your TV.

Sound mixing for theaters

In recent years, directors have gravitated toward making their films and TV shows look and sound as though the events are larger than life, even if that means viewers might struggle to make out the dialogue, said David Bondelevitch, who teaches recording arts at the University of Colorado Denver and works as a sound designer on documentaries and other projects.

Director Christopher Nolan's films, such as "Tenet" and "Interstellar," are known for their realistic imagery, but the dialogue can be hard to discern. When his new movies hit theaters, viewers often complain they can't tell what actors are saying. Mr. Nolan has defended his sound mixing, saying it allows him to be creative. His films have racked up numerous Academy Award sound nominations and wins.

When dialogue is muddled, actors frequently rerecord their lines in a postproduction studio, but those tracks might not sound like they were recorded in the original scene, Mr. Bondelevitch said.

Rather than mixing for mono (one speaker) and stereo (two speaker) audio—which makes audio sound clearer on basic TVs—sound engineers today often design for a higher number of speakers and then scale audio down for less-capable systems. Other higher-end setups include surround sound, which tends to have five speakers plus a subwoofer, and Dolby Atmos, which can work with even more speakers to match the action on screen. For example, the placement of the speakers can make it feel like a helicopter is buzzing around you.

Dolby's immersive technology has become popular with studios that want to make at-home viewing more like going to a theater. That is great if you have a high-end sound setup, but not ideal if you have a basic TV or often watch video on your older phone or tablet.

"The creators are pushing the boundaries of the creative experience," as well as the limits of people's TVs and home speakers, said John Couling, senior vice president of entertainment at Dolby.

Placing a soundbar on a stand below a TV helps better direct audio to your ears.

If you don't have high-end TV speakers or an external-sound system, more immersive audio will be compressed into your existing speakers, said Mark Lanza, president of Motion Picture Sound Editors, an honorary society of sound-editing professionals. "That's never going to sound good," he added.

How to fix your audio

It can be hard to pinpoint whether sound issues are a result of production choices, poorly converted mixes or your own ears. Experimenting with speaker placement, your surroundings, new audio equipment and your device's settings can help.

For all her knowledge of sound, Mrs. Brooks, the Boston musician, still relies on her Samsung TV's built-in speakers. "It's not great," she said, noting that she might invest in new equipment.

That flat-screen TV with downward-facing speakers? Place it on a bare table or stand to give the sound something to bounce off. In a large room, try carpeted floors and thick curtains to absorb noise and contain the sound, Mr. Lanza said.

If you are planning to buy a soundbar, make sure it has at least three channels, or speakers, Mr. Bondelevitch said. The center channel will help dialogue sound clearer.

Some TVs, including those from Samsung and LG, come equipped with features that reduce loud noises or boost dialogue. You can find these in the settings menu of your TV. Playing around with settings could help you find one that works. Still, Mr. Lanza warns that there is no guarantee the tweaks will make "Tenet" sound crisp.

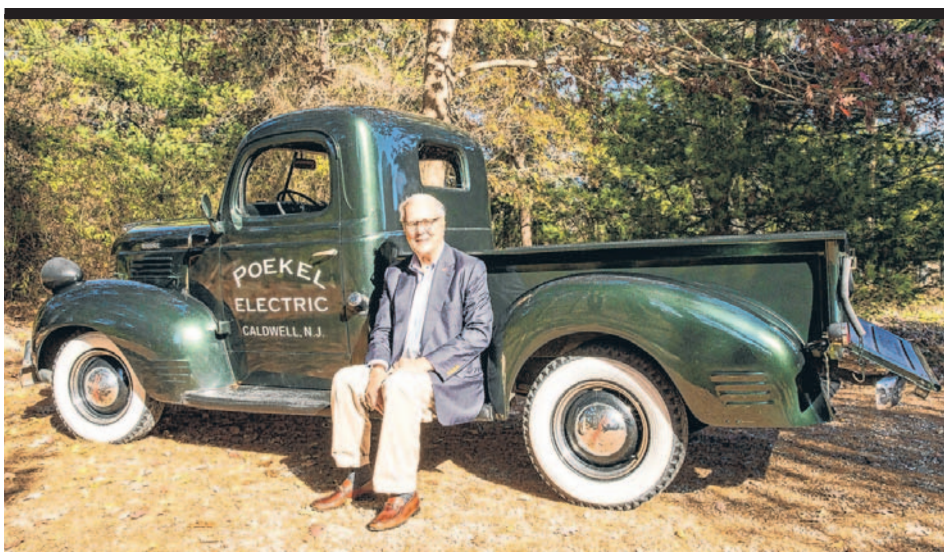
If you are watching TV with others and need an audio boost, you can pair certain earbuds to your TV to pipe sound straight to your ears. You can link two pairs of AirPods to Apple TVs if you are watching alone or with one other person. Google and Apple offer accessibility features that let you use your phone as a speaker. Place it by your TV and pop in earbuds to hear the audio through them.

When you're watching video alone on your mobile device, certain earbuds such as AirPods offer surround-sound level quality that can improve audio.

If dialogue still sounds muffled, you might want to explore hearing aids. They are now available over the counter.

And if all those options don't work, you still have captions to make sure you don't miss a thing.

FROM TOP, PHOTO ILLUSTRATION BY CHAYA HOWELL/THE WALL STREET JOURNAL, ISTOCK; THE WALL STREET JOURNAL, SHUTTERSTOCK



Charlie Poekel with his 1941 Dodge pickup in Marion, Mass.

MY RIDE | BY A.J. BAIME

His '41 Dodge Pickup Is Tribute to His Dad

Charlie Poekel, 74, an attorney and author living in Marion, Mass., and Palm Beach, Fla., on his 1941 Dodge pickup, as told to A.J. Baime.

Before I was born, my father had an appliance store on Bloomfield Avenue in Caldwell, N.J. He had two degrees in engineering and worked for Curtiss-Wright aviation, but because he was an electrical engineer, he opened this store to supplement his income. He sold radios, ranges and refrigerators, and he had a sign above the door: Poekel Electric.

My father owned a garage space, and, in that garage, he rented out a parking spot to the Straub & Youngman plumbing company, who also had a storefront on Bloomfield Avenue in Caldwell. Straub & Youngman kept a 1941 Dodge pickup in that parking spot, and over the years, the pickup turned into a rust bucket. In about 2005, I took possession of this truck. I had the idea to turn it into a tribute to my father, in part because it had that Caldwell history, but also because it was from 1941—when his store was open. It's interesting to note that this pickup was probably one of the last civilian vehicles made before the U.S. car industry threw itself into the war effort.

The pickup was originally sold for $690.25.

I was working at the time in Long Island City [in Queens, N.Y.], and I knew a lot of mechanics there. So I hired some to restore this pickup. They took it completely apart and put it back together. I had the engine rebuilt. I have the truck's original bill of sale, dated April 19, 1941. It was bought at Burtis-Wight Motors at 271 Bloomfield Ave., for $690.25, just down the street from Straub & Youngman, at 285 Bloomfield Ave. It's crazy to think that I spent more having the speedometer restored than what the entire pickup cost new. When the truck was done, in place of the "Straub & Youngman Plumbing, Caldwell, N.J.," I had "Poekel Electric, Caldwell, N.J.," painted on the side.

We finished this job in about 2010. Now, it is so fun to drive. The six-cylinder engine is powerful and the truck has a three-speed stick shift. We take it to the beach often. We put golf clubs in the back. We have since moved to Marion, Mass., and we drive it in Marion's July 4th parade; kids love it and we throw Baby Ruth chocolate bars to them. We have also shown the Dodge at the Silver Gull invitational car show in Mattapoisett, Mass., which is well-known among car fans where we live. Every year we bring the truck to Poekel Family Day, at Piney Point on Buzzards Bay. The children swim and fly kites, but the biggest thrill is riding in the back of the truck.

My father passed away in 2012, but he lived long enough to see this truck completed. He sure appreciated it. And now we can use this Dodge to continue telling his story to the next generations.

GEORGE ANNAN FOR THE WALL STREET JOURNAL (2)

ARTS IN REVIEW

NATIONAL GALLERY OF ART, WASHINGTON (4)

ART REVIEW

Under the Microscope

An exhibition takes a forensically detailed look at Johannes Vermeer

By Mary Tompkins Lewis

Washington

The disparate realms of art and science have often converged in attempts to explicate the rarefied and indescribably beautiful paintings of Johannes Vermeer (1632-1675). Revered by his fellow painters in Delft, the Dutch artist fell into obscurity after his death, in part because of the scarcity of his output. Vermeer's rediscovery by 19th-century scholars, connoisseurs, and especially the French art critic Théophile Thoré-Bürger spurred a crucial reassessment of his art, his stature in Holland's Golden Age likened to that of Rembrandt. While only about 35 works can now be ascribed with certainty to the artist, a smattering of others—including likely copies, outright counterfeits, and paintings inspired by his own—have been considered over the years as candidates for inclusion in his prestigious oeuvre. "Vermeer's Secrets," a small exhibition at the National Gallery of Art that is drawn exclusively from its own holdings, navigates this contested territory with the aid of new research and imaging technology, and the results are as riveting as they are convincing (the show is a prelude to the Vermeer retrospective to be held in 2023 at the Rijksmuseum in Amsterdam).

The National Gallery of Art exhibition, organized by Marjorie E. Wieseman and Alexandra Libby, the head curator and associate curator, respectively, of Northern European paintings, reflects the findings of scholars, conservators and scientists who took advantage of Covid-19-related closures in 2020-21 to study in depth the museum's four paintings by or attributed to Vermeer. As captured in the exhibition's vivid documentary material, the team uncovered, layer by layer, the artist's unique working methods, preferred mediums and stylistic evolution. Their discoveries allowed them to reframe discussion of "Girl With a Flute" (c. 1669/1675?), a painting in the collection whose relationship to Vermeer has frequently been debated.

Three works in the show are universally accepted as autograph, and establish at the outset one of Vermeer's signature motifs: a solitary, motionless woman revealed purely by the fall of light in a cloistered domestic setting. Marked by the artist's apparent unconcern with conventional modeling and draftsmanship and by the velvety smoothness of his brushwork, the paintings exude an aura of quietude and utter perfection unrivaled in the work of his peers.

In "Woman Holding a Balance" (c. 1664), Vermeer's subject stands before an image of the Last Judgment and evokes, as does his radiant "A Lady Writing" (c. 1665), larger allegorical connotations. More interesting in the context of the show, however, is what lies beneath these compositions. Infrared reflectography reveals bold, freely applied brushwork in the works' preparatory layers that is dramatically at odds with the measured strokes we know from Vermeer's signature polished surfaces. Likewise, X-ray spectroscopy and microscopic analysis map his ingenious use of a copper-based material to hasten the drying of black underpaint and prevent crackling or wrinkling that would mar the uppermost layer, a property of the medium he would exploit. Employing four different yellow pigments and fluid paints to model his subject's luminous jacket in "A Lady Writing," for example, Vermeer combined delicate individual brushstrokes and scintillating dotted highlights that, when dried, coalesced to exquisite effect.

The show reveals the painter's working methods and stylistic evolution.

Of the works on view in Washington, "Girl With a Flute" most closely resembles the National Gallery's "Girl With the Red Hat." Painted with similar pigments on small oak panels of nearly identical size, they both depict well-dressed women wearing extravagant hats and pearl earrings who are seated before a patterned tapestry. We recognize the lion's-head chairs in each from the artist's studio paintings. The subjects' open-mouthed expressions and focused gazes identify the works not as portraits but as expressive head studies (or tronies), a genre Vermeer favored in informal paintings of this scale.

Such correspondences become superficial, however, when the two works are studied up close and using current imaging technologies. The visible brushwork in "Girl With a Flute" is more blocky, especially in the subject's weakly executed right arm, and its static figure awkwardly positioned in the image's shallow space. The subtle green shadows Vermeer created by expertly modulating and feathering the edges of fluid paint on the face of his "Girl With the Red Hat" are only crudely approximated in the unverified work, where flatly applied, improperly mixed pigments ooze up through successive paint layers. And while technical examination revealed that Vermeer used coarsely ground pigments for his underpaint and finely ground pigments to achieve the delicate handling of his topmost layers, the process was inexplicably reversed in "Girl With a Flute." Its rougher, almost granular surface, perhaps the most damning argument against the work's authenticity, also contains a mass of embedded, broken bristles, suggesting an old or poor-quality brush, or the unusually forceful touch of a struggling, still nascent artist.

Armed with such insights—and many more are presented in the show—"Girl With a Flute" can now be identified as the work of an anonymous contemporary (an apprentice or assistant?) of Vermeer who had intimate knowledge of the artist's materials and practices, but lacked both an understanding of his medium's physical properties and the ability to replicate the subtle nuances of his studied technique. Such findings, which challenge traditional assumptions that the so-called Sphinx of Delft worked alone, raise intriguing questions as to who else may have worked in Vermeer's orbit. They add hugely, moreover, to our knowledge of the full measure of an artist whose utterly refined, inimitable painting has long eluded our grasp.

'Girl With a Flute' (c. 1669/1675?) and 'A Lady Writing' (c. 1665), top; 'Girl With the Red Hat' (c. 1669), above

'Vermeer's Secrets'
National Gallery of Art, through Jan. 8, 2023

Ms. Lewis, who taught art history for many years at Trinity College, Hartford, Conn., writes about art for the Journal and other publications.

'Woman Holding a Balance' (c. 1664) evokes allegorical connotations.

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SPORTS

A Defensive Genius Leads Iran

Carlos Queiroz is the coach standing between the U.S. and the knockout rounds of the World Cup

BY JOSHUA ROBINSON
AND JONATHAN CLEGG

Doha, Qatar

Deep in the meeting rooms of the Al Rayyan Hotel here, Iran has been cooking up a plan to send the U.S. national soccer team home from the World Cup.

The team's silver-haired leader is a master of defensive tactics, creative preparation, and surprising counter-strikes. He is identifying American weaknesses and preparing his players to take one last stand. And he's doing it all in Portuguese.

This is the tactician standing between the U.S. and the knockout rounds of the Qatar World Cup—an irascible, Mozambique-born former goalkeeper named Carlos Queiroz. Over the course of a 30-year coaching career, he has worked everywhere from New York to Nagoya, Japan, and from Manchester United to Real Madrid. And everywhere he went, he brought his signature brand of suffocating defense and strategic needling.

AMANDA PEROBELLI/REUTERS

Iran coach Carlos Queiroz celebrates with players after a 2-0 victory over Wales at the Qatar World Cup.

"We know under Carlos Queiroz, they're a very organized team, very difficult to play against," England manager Gareth Southgate said before facing Iran. "We know Carlos's work with the national team, with Manchester United, with Real Madrid. He's a hugely experienced coach and his teams are very well prepared."

Queiroz's masterpiece of preparation came long before he ever made his first trip to Tehran. Back in 2008, he was an assistant coach at United under the legendary Alex Ferguson at a time when Ferguson treated the job more like an NFL head coach than a traditional soccer manager. As the club geared up for a Champions League semifinal against Barcelona—and a little problem named Lionel Messi—Queiroz was effectively Ferguson's defensive coordinator.

So he spent the weeks leading up to the pair of home-and-away games designing a defensive scheme unlike anything United had ever practiced. For training session after training session, he laid out gym mats on the field to represent precisely where he wanted each player stationed in every situation. Practices turned into stern lectures on defensive theory.

"We'd never seen such attention to detail," former United defender Gary Neville said. "We rehearsed time and again, walking through the tactics slowly with the ball in our hands."

Over the two matches, Queiroz's men held Barcelona to exactly zero goals. United later beat Chelsea in the final to become European champion.

"There are many Portuguese people in football," Ferguson once said, "but I have the best one here in Carlos Queiroz."

In the 14 years since then, his defensive philosophy has barely changed. What were once cutting-edge tactics are now a throwback in the modern game.

Unlike the bulk of teams at this tournament, Iran doesn't attempt to force turnovers by pressing opponents high up the field. Instead, it sits deep and swarms the middle of the field, restricting space and cutting out passing lanes. Iran's opponents are given plenty of time to pick out a pass—England punished them in their opener—but when the Iranians are at their best, there simply aren't many passes to pick. When opposing teams invariably try to play longer, riskier passes, they turn the ball over and give Iran a chance to counter—which is exactly how it scored both goals in the 2-0 win over Wales.

"In the modern game, it's very difficult to create elements of surprise," Queiroz says. "What really matters is the level of preparation of the team when the match starts, the level of concentration…and also an 'adventure attitude' in the game."

That isn't the only attitude people notice when they watch Queiroz at work.

The 69-year-old also has one of the most famous tempers at the World Cup. His news conferences are always feisty occasions. (He recently asked a BBC journalist why they weren't also interrogating Southgate about politics in his country.) His rivalries emerge out of the blue (he once waged an eight-month feud with the coach of South Korea, who accused him of making an "obscene hand gesture" in the aftermath of a crucial win). And his focus is ferocious (he was suspended for six months in 2010 as Portugal manager for berating anti-doping officials who interrupted one of his training sessions).

Queiroz's Iran team plays the same way. Over his two stints in charge, from 2011 to 2019, and again since his return in September, Team Melli has developed a reputation as one of the most unpleasant sides to face. Defenders don't give an inch, whether the ball is there or not. Their relentless, regimented physicality drives opponents crazy.

> **Team Melli has developed a reputation as one of the most unpleasant sides to face.**

"Carlos is someone you feel like he never smiles," former United defender Patrice Evra said. "His training sessions are perfect. When he left United, tactically it was not the same."

Those muscular tactics haven't impressed everyone. Former U.S. coach Jurgen Klinsmann, a German who faced Iran as a player in 1998, appeared on the BBC this week arguing that gamesmanship was to be expected with Iran.

"That's their culture—that's their way of doing it," Klinsmann said. "And that's why Carlos Queiroz, he fits really well [with] the Iranian national team."

Queiroz was never going to take that kind of slight quietly. In a six-tweet thread on Saturday, he invited Klinsmann to visit Iran's training camp here to educate himself about the country's culture and its people. There was just one thing that needed clarifying: Queiroz wanted to know whether Klinsmann would still be a member of the FIFA team studying this World Cup for tactical insights.

"Because, obviously," Queiroz added, "we expect you to resign before you visit our camp."

This is, after all, a man who thinks a lot about job security in soccer. Queiroz himself has coached three different national teams in the past three years. He was fired by Colombia in 2019, left his job with Egypt by mutual consent earlier this year after failing to qualify for the World Cup, and rejoined Iran in time for Qatar, having resigned the same job in 2019 over a disagreement with Iran's soccer federation. He hasn't yet announced what his future holds should Iran be eliminated by the U.S. on Tuesday.

"The World Cup is like a hanging process for coaches," Queiroz said in a 2018 interview with The Wall Street Journal. "After a World Cup, 70-80% of the coaches will lose their jobs. They leave like heroes and they come back like zeros."

U.S. Soccer Altered Iranian Flag In Post

BY ANDREW BEATON
AND SUNE ENGEL RASMUSSEN

Doha, Qatar

With the U.S. and Iran set to play a high-stakes match in the World Cup here on Tuesday, the U.S. Soccer Federation took to social media to make what it said was a statement of support for protesters inside Iran: an altered version of the Iranian flag.

Then, Sunday afternoon, the team deleted the post, which wasn't run past U.S. players or coaches and inflamed tensions with the Iranians ahead of a decisive showdown on the field.

The federation's action had resulted in an Iranian soccer official calling for a FIFA investigation and disciplinary action against the Americans, just two days before a match the U.S. must win in order to advance.

The post from the U.S. team's Instagram account, dated two days ago, depicted the Iranian flag without the emblem of the Islamic Republic. The emblem, four curves with a sword between them, represents "there is no God but Allah," which is part of the Islamic declaration of faith.

Iran's soccer team has been thrust into the spotlight after months of protests inside the Islamic country since a 22-year-old woman died in police detention after being arrested for allegedly not adhering to the country's strict dress code for women.

A spokesman for U.S. Soccer had said the post was a one-time showing of support for the protestors. The team's players and coaches were not consulted on the posting, the spokesman said, adding that the plan was to show their support in one post and then revert back to using the country's official flag. The spokesman said the decision to remove the post came after more internal conversations on the matter.

The Iranian semiofficial ISNA news agency said the U.S. decision to remove the emblem went against FIFA regulations and that the violation of those rules should lead to a fine or ban.

CATHERINE IVILL/GETTY IMAGES

Iran's flag during a Cup ceremony.

Neymar Is Out and Brazil Is Worried

BY JONATHAN CLEGG
AND JOSHUA ROBINSON

Doha, Qatar

Brazil arrived at the World Cup this month as the clear favorite to lift the trophy, and for 80 minutes everything was going according to plan.

Then its superstar, Neymar, hobbled off the pitch in the team's opening game. Then his ankle started to swell. Then it swelled some more. And then, back home, the Brazilian national freakout began.

Two days removed from Neymar's premature exit from Brazil's 2-0 victory over Serbia, the country is consumed by precisely what is happening at the intersection of one man's right shin and his right foot. When the team's manager spoke at a news conference here on Sunday ahead of Brazil's match against Switzerland, every question of the 36-minute session was about Neymar.

> **There are contradictory statements on when exactly Neymar might return to the field.**

"Brazil is dependent on all of its major talents and Neymar is an extraordinary talent, obviously," he said, not striking the most reassuring tone.

Tite's assistant coach, Cesar Sampaio, chimed in to insist that the whole squad would be ready to pick up the slack for as long as Neymar, 30, was sidelined. Brazil has said that he wouldn't play any further part in the group stage.

"Neymar is uniquely important and he's our role model, but everyone is prepared to do their job," Sampaio added. "As we often see in the movies, someone who isn't the protagonist can steal the scene."

While the nation prays for Neymar's swift return, the media inquest has also begun on the precise circumstances of the injury: What did the manager know and when did he know it?

Tite admitted on Sunday that Neymar had been hurt in the 67th minute, but that news of the injury on the field didn't reach him in the dugout for what seemed like an eternity. He only removed Neymar from the game in the 79th minute. Tite's explanation soon turned into a *mea culpa* to the country.

"He was injured and I didn't see that he had an injury. We didn't get that information," the 61-year-old said. "It had been 10 or 11 minutes with that injury. This was not malicious, it was accidental."

In Brazil, Neymar's sudden absence brought back painful memories of eight years ago, when the Seleção played the World Cup on home soil. The team swaggered through the tournament, led by a 22-year-old Neymar, only for him to suffer a fractured vertebra in a quarterfinal win over Colombia. Without its playmaking star, Brazil crashed to a traumatic 7-1 loss to Germany in the semifinal.

TOLGA BOZOGLU/EPA/SHUTTERSTOCK

Neymar was injured against Serbia on Nov. 24. Brazil has said Neymar will miss the rest of the group stage.

Adding to the general air of intrigue this time around are the seemingly contradictory statements coming out of the Brazil camp on when exactly Neymar might return to the field.

Immediately after the game, Tite was unequivocal that the injury would not rule his captain out of the tournament. "You can have that certainty," he said. Yet only hours later, the Brazilian team doctor offered a darker prognosis, confirming that Neymar would miss the next two matches.

The Brazil coach tried to clarify the situation on Sunday, but only succeeded in making things more confusing. "I believe Neymar and Danilo will be playing the World Cup—that's my opinion," he said. "[But] medically, I'm not in a position to speak about those things."

Tite felt more qualified to speak about the rough treatment his captain received from Serbia's players, calling on officials to protect Neymar from one of soccer's most insidious practices: rotational fouling. Brazil's No. 10 was fouled nine times, more than any other player in the tournament. But critically, those fouls were committed by six different players in order to spread out the guilt and lower the risk of a sending off.

"If you want to celebrate football, we have to pay attention to the rotation of fouls, because they focus on specific players," Tite said. "This is a fact, and it has to be stopped."

The irony is that the tackle Brazilians believe caused the injury wasn't even a foul. In the 67th minute, Neymar rode a hard, but legal challenge from Serbia's Nikola Milenkovic and appeared to step on the defender's outstretched foot before turning his ankle. Though Neymar lasted another 12 minutes, the damage was done. Knowing the outlook was grim, he hobbled off the pitch and covered his face with his jersey. Neymar appeared to be in tears.

"I think that it will take some time to digest it all and it's a delicate situation," Brazil defender Marquinhos said. "Because he dreamt so much about it, and now he's injured."

All Neymar's teammates can do now is make sure that they stay in the tournament long enough for their talisman to return.

"He's very focused and he's doing physiotherapy 24 hours a day so he can come back as soon as possible," Marquinhos added. "We'll keep working, game after game, waiting for him to come back."

OPINION

Crypto's Final Price Could Be Zero

INSIDE VIEW
By Andy Kessler

There aren't many leveraged buyouts of technology companies, and for good reason. Technology and debt, like Red Bull and milk, don't mix. Why? Because when technology works, it commands high valuations. You can't LBO Google. But when technology moves on to the next new thing, there isn't much residual value in the form of assets and collateral to call on in case of debt defaults. FTX, Elon Musk and SoftBank are learning this lesson.

Twitter, which last turned a profit in 2019, now has $1 billion a year in debt payments. Wall Street can't off-load Twitter's buyout debt, now maybe 60 cents on the dollar, without losing money. Mr. Musk even told employees "bankruptcy isn't out of the question." Of course, he has benefited from selling his own highly valued (though declining) Tesla shares, recently another $4 billion for a total of more than $19 billion. As Chief Twit, Mr. Musk proclaims Twitter will operate under free-speech principles. Advertisers are fleeing. So are employees. If he defaults and walks away, the only thing left is some aging code and a few plastic blue birds to sell at auction.

The new poster child for the toxic cocktail of technology and debt is Sam Bankman-Fried, with his imploded FTX and Alameda empires. Sure, these companies misappropriated, to put it nicely, customers' assets. And yes, withdrawals that acted like a bank run drove the company into Chapter 11. But the company's original sin was to borrow against its own FTT token, which was held up by nothing but air.

This was crypto's mass delusion. FTT was so thinly traded that FTX could set any price, but not forever. FTX and Alameda borrowed against tokens they themselves were manipulating, including Solana and others, which some called Sam Coins, now Scam Coins. The fatal conceit: They thought FTT would stay high forever, so they invested in often illiquid positions. FTX was even paying employees, vendors and whoever else would take it in FTT tokens, whose total market cap used to be almost $10 billion and is now about $400 million.

You can't manipulate something forever. Reality eventually replaces delusion. All it took was someone to touch a pin to the bubble. After Coindesk leaked a copy of Alameda's balance sheet loaded with FTT tokens, Binance CEO Changpeng Zhao started selling. FTT went from $22 to under $3 in 48 hours. So much for collateral. When the smoke clears, FTX/Alameda may have $8 billion to $15 billion in debt outstanding, with little to sell for repayment. It will take years to sort out who gets what.

Meanwhile, others also barreled in. A cottage industry of firms emerged to lever up crypto. This is when things turned toxic. The first task was to lure customers by paying interest on their crypto holdings. The Anchor Protocol behind the spectacularly imploded Terra-Luna algorithmic tokens was paying up to 20%.

No sane lender would extend credit against assets lacking any underlying collateral.

Other platforms such as Binance and Crypto.com would pay 4%, 8% or more on crypto as well, suckering in the masses who could earn only 0.01% interest from, well, real banks. But how could anyone pay interest on crypto? By turning around and lending it out to hedge funds and others who also used leverage. Insanity.

Genesis Global Capital created a lending platform to facilitate borrowing crypto. Lending against what? Again, just air. Firms such as Gemini, set up by the Winklevoss twins, were paying 8% interest, so customers could harvest yields. Why was there any yield on crypto? Good question. It worked on the way up, not so much on the way down. Crypto was lent out like a hot potato until someone got stuck with the value down 90% and everyone else left with defaulted debt. This was probably the only way the delusion could have ended.

Most of these platforms are now frozen and might disappear as customers caught with a hot potato frantically demand withdrawals in the wake of the FTX collapse. Of course, all these crypto lenders had to do was ask: What's the underlying collateral? Where are the assets? With no good answer, no sane lender would have lent against it. But no one asked.

Another debt example: Remember in 2020 when a SoftBank fund was revealed as the "Nasdaq Whale" using derivatives and leverage to buy technology shares and eventually losing big? Well, besides SoftBank's zero on its $100 million investment in FTX, here's a strange twist: Its CEO, Masayoshi Son, may owe his company nearly $5 billion. According to the Financial Times, "Son has pledged both his stake in the funds and a portion of his SoftBank stake as collateral for the amount he owes the company." The funds have sunk, and SoftBank stock value has declined 50% since early 2021.

Technology, like Red Bull, is a supercharger until it wears off. Debt, like milk, can kill you when it spoils. They don't mix.

Write to kessler@wsj.com.

Biden's Dirty Oil Deal With Venezuela

AMERICAS
By Mary Anastasia O'Grady

At the United Nations climate conference in Sharm El Sheikh, Egypt, the U.S. agreed to pay environmental reparations to developing countries. Days later it emerged that the Biden administration would issue a new license to Chevron to resume operations in joint ventures with Venezuela's oil company, PdVSA.

The U.S. government thinks you're a fool, dear reader. And not only because it waited until Americans were en route to grandma's house for Thanksgiving to let news slip of a deal to increase heavy-crude output from joint ventures controlled by a dictatorship allied with Iran. Or that it expects you to believe that Venezuela is considering a return to free elections in exchange.

Presumably you also haven't noticed Team Biden's effort to impede the development of huge reserves of light sweet crude from Guyana, a U.S. ally.

Washington policy makers occasionally make miscalculations that help American enemies, undermine development in a poor country, or harm U.S. economic interests. But to nail the trifecta requires a special blend of ideological blindness and incompetence that is mercifully rare. Still, as the administration's treatment of Guyana demonstrates, it does happen.

In a region that has been trending anti-American in recent years, Guyana, with a population of less than 800,000, has been an uncommon ally. Nestled on the southeast border of Venezuela and north of Brazil, the small English-speaking nation has obvious strategic value to the U.S.

Since 2015, when Exxon Mobil made its first oil discovery in offshore waters, a series of further finds has brought Guyana's estimated reserves above 11 billion oil-equivalent barrels. On a per capita basis only Kuwait has more oil.

The story gets even better because the crude under Guyanese waters has low sulfur content, the opposite of the tar that comes out of Venezuela. It would be hard to dream up a more exciting narrative for a country mired in poverty.

In a November working paper for the International Monetary Fund, economist Rina Bhattacharya noted that the petroleum discoveries offer the "promise to transform Guyana's agricultural and mining economy into an oil powerhouse, while hopefully helping to diversify the non-oil economy." There is "a momentous opportunity to boost inclusive growth and diversify the economy providing resources to address human development needs and infrastructure gaps." But there are also significant "challenges."

The most obvious problem facing a poor country that suddenly enjoys a gusher of dollars is the absence of the rule of law. Frail institutions tend to fuel financial recklessness and corruption.

Guyana needs all the U.S. help it can get if it hopes to harness its newfound wealth constructively and avoid turning into another banana republic with oil. But thanks to Mr. Biden's climate religiosity, it looks as though the Guyanese will have to rely on China.

Consider a project to upgrade the Guyanese infrastructure necessary to export the oil safely. Guyana Shore Base Inc., a private company based in Georgetown, asked IDB Invest (the private-sector financing arm of the Inter-American Development Bank) for help. IDB Invest described the company as serving the needs of transshippers for "supplies, materials, and equipment" and providing "various support personnel and services, including waste management, warehousing, fuel bunkering, pipe storage, water treatment and potable water storage, among other services," to Exxon in Guyana.

Caracas gets a reprieve while the U.S. vetoes a loan to Guyana, a rare U.S. ally in the region.

IDB Invest proposed debt financing for the project of $70 million to refinance bridge loans, expand port facilities and a logistics support area, and construct a new heavy-cargo off-loading project and a waste-management facility. The company also planned to use the financing to "install rooftop solar photovoltaic capacity to meet [its] energy needs." The IDB Invest loan would have anchored the project, which required $130 million in total financing.

It looked like a 21st-century fairy tale: wealth creation, low-impact energy production, environmentally careful investors and solar development all in a democracy aligned with the U.S. In a March interview with Guyana's Stabroek News, then-IDB President Mauricio Claver-Carone spoke about the auspicious outlook: IDB oversight and transparency was poised to assist in producing real benefits for the nation rather than what has occurred under "Middle Eastern and African models that have actually seen development stalled with the new resources and democracy trampled."

The U.S. vetoed the loan. Its reasoning was based on August 2021 Treasury "guidance on fossil fuel energy at the multilateral development banks," which says that the U.S. will "promote ending international financing of carbon-intensive fossil fuel-based energy." After two years of working with the IDB to ensure proper due diligence, the company had to go back to the drawing board.

Meantime China, with no such restrictions, is aggressively signing contracts to build infrastructure in Guyana and getting in on the oil boom. And the U.S. is turning to renowned polluter Venezuela to boost crude supplies. What could possibly go wrong?

Write to O'Grady@wsj.com.

The 76-Million-Year-Old Up for Adoption

By Brenda Cronin

Maximus Rex needs a home. What Sotheby's calls one of the most complete Tyrannosaurus rex skulls ever discovered goes on sale Dec. 9. The auction house expects it to command $15 million to $20 million.

Maximus hails from South Dakota and was excavated from the Hell Creek Formation, a trove of Cretaceous finds. The skull will be sold in a live auction, a suitably old-school send-off for a predator who bestrode the world 76 million years ago. But the skull, which weighs 150-plus pounds and measures about 4½ feet long, seems much more than just an *objet*. It isn't precisely a work of art, and Maximus was once alive.

As someone with no interest in dinosaurs, I can't explain the appeal. I haven't read Michael Crichton's "Jurassic Park" or seen the movies. "The Age of Reptiles" mural at the Yale Peabody Museum of Natural History left me cold as a child. I'd be hard-pressed to distinguish a Stegosaurus from a Brontosaurus. But even I know what a T-rex is. And the notion of the full, open-jawed Maximus swiveling atop an enormous body is impressive, if hair-raising. Maximus likely was between 35 and 38 feet long. It's unclear whether this T-rex was male or female, said Cassandra Hatton, Sotheby's global head of science and popular culture. She helped name the fossil but said the new owner is free to rechristen it: "There isn't, like, a dinosaur name registry."

This Tyrannosaurus rex skull measures about 4½ feet long.

For billionaire collectors and deep-pocketed museums, Maximus's $15 million to $20 million estimate may sound like a steal. In the first evening of Christie's recent $1.6 billion two-day auction of art from Microsoft co-founder Paul Allen's estate, five paintings, including works by Cézanne and van Gogh, sold for more than $100 million each. People had lined up around the block for hours to see them on exhibit at Christie's in Rockefeller Center.

Maximus also is on display in New York, in an upstairs gallery at Sotheby's. The skull rests on a black iron pedestal, surrounded by magnificent paintings. It is frightful at first but the massive jaw and teeth recede in prominence after you gaze at it for a few minutes. A bumpy snout—Sotheby's consultant Henry Galiano notes that the front of the cranium is called the rostrum—and uneven chin become noticeable. Together, they give Maximus the homely, gentle mien of Shrek after a serious diet and too much sunbathing.

From a distance, the skull appears to be the color of dark wood. A closer look reveals that Maximus is as dappled as camouflage—mossy greens near the jaw, mud browns and pale beiges elsewhere. There's a rust-colored patch above what on a human would be the left lip if we had serrated, pointy teeth that go on for several inches. Among the skull's mineralized bones, poignantly, is the tear-producing "lacrimal," which lubricated the eyes, but that doesn't mean Maximus went around weeping. Mr. Galiano likens it to crocodile tears.

Above all, the skull has gravitas, befitting anything that has hung around, relatively intact, for millions of years. The T-rex's ferocious reputation aside, this fossil conveys a reassuring forbearance that this, too, shall pass.

Ms. Cronin is an associate editorial features editor at the Journal.

BOOKSHELF | By Tom Nagorski

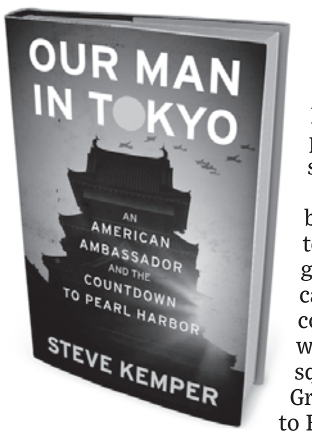
Watching The Rising Sun

Our Man in Tokyo

By Steve Kemper
(Mariner, 408 pages, $29.99)

When Joseph Grew returned to Washington after a decade in Tokyo—the Pacific War now well under way—he went to see Cordell Hull, FDR's secretary of state. Grew was carrying a confidential report about his time in Japan as the U.S. ambassador. It included a catalog of Japanese belligerence but also an account of what Grew believed to be the Roosevelt administration's failure to (seize diplomatic opportunities in the runup to war. His half hour with Hull did not go well. "If you thought so strongly," Hull said, "why didn't you board a plane and come to tell us?" He then ordered Grew to destroy the report—or "we will publish it and leave it to the American people to decide who was right and who was wrong."

Was Grew right to blame Hull, his aides and ultimately Franklin Roosevelt for ignoring his advice and missing a chance to avert war in the Pacific? Or was Grew—as Hull believed—a naive diplomat whose empathy for the Japanese colored his thinking? Steve Kemper's stirring "Our Man in Tokyo" is, in large part, an attempt to answer such questions.



An ambassador's role can be many things: ceremonial, tedious, dramatic, even dangerous. In rare instances, it can be as exhilarating and consequential as any line of work. Grew's tenure in Japan fit squarely in the last category. Grew presented his credentials to Emperor Hirohito in June 1932 and was still ambassador when he received the news, nine years later, that Japanese aircraft had attacked Pearl Harbor. Serving in Japan, he wrote in his diary, was "like living on a volcano, never knowing when an explosion is going to occur."

Grew was a son of privilege whose family had been in Massachusetts since before the American Revolution. His father assumed that Joseph would head for Harvard and then into business. Joseph did go to Harvard but opted for the Foreign Service; his father was appalled. He served in Berlin during World War I, joined the peace commission at Versailles, and took up ambassadorial posts in Denmark, Switzerland and Turkey. Then he landed in Tokyo.

For Americans, Japan in the early 1930s was a welcoming place. American business had taken root, U.S. naval vessels docked for layovers, and all manner of American VIPs passed through. Mr. Kemper, a journalist and independent historian, includes wonderful asides on the visits of Helen Keller, Douglas Fairbanks and Babe Ruth, to name a few. But as the decade wore on, Japan veered toward extreme nationalism, and the atmosphere soured. By decade's end, Hitler Youth organizations had opened shop in Tokyo, and American journalists who questioned Japan's policies were tossed in jail.

As ambassador, Grew sought out a broad range of Japanese politicians and immersed himself in the culture. He acquired a profound understanding of both moderates and nationalists and of the sources of Japanese grievance. He came to believe that there were "two Japans"—one pacifist and warm-hearted, the other beset by a fanatical militarism.

Herein lay the root of Grew's troubles. Time and again the duplicity and aggression of the Japanese would test his faith in diplomacy; but he also resented the fact that Hull and others in Washington ignored the other Japan—the moderate politicians worth supporting in pursuit of peace. Where Grew saw nuance and reasons for hope, Hull saw Japanese perfidy—or, as he once said, a "highway robber."

Ahead of war, the U.S. ambassador to Japan saw reason to hope for rapprochement. FDR's advisers saw Japanese militarism and perfidy.

"I seem to be fighting two governments at once," Grew wrote in his diary, in 1940. In Washington, he tangled most often with a bureaucrat named Stanley Hornbeck, who ran the Asia desk at the State Department. Hornbeck had never served overseas and, in Mr. Kemper's telling, had little time for the opinions of those who had. He buried Grew's reports, certain that the ambassador was hopelessly soft or naive about Japanese ambitions. All this mattered because Hornbeck had a clear channel to Hull, while Grew was on the other side of the world sending cables to make his views known.

Those cables are the spine of Mr. Kemper's account. Some tell stories of Japanese troops pouring into China, of the mass rapes and massacres at Nanjing and the bombing of American properties around Shanghai. Grew describes the bombast of nationalists who speak of a new, Japan-centric "Asiatic order" and justify Tokyo's entry into the Axis with Germany and Italy. But in his missives to Washington, Grew regularly counsels patience and engagement with Tokyo. It was his nature to absorb the bad news from the Japanese, set aside his own frustration and then call for statecraft.

"Our Man in Tokyo" is meticulously researched, and Mr. Kemper mines Grew's diaries and other primary sources to great effect. As for his central thesis—that Hull and FDR ignored their man in Tokyo and thus missed the chance to avert war—it is not always persuasive. With the evidence Mr. Kemper offers, one might conclude that the men in Washington agreed with Grew's diagnosis but not his remedies. Grew argued for dialogue and meetings, including a last-ditch, face-to-face for Roosevelt and Japan's prime minister in 1941. Hull's reflex was to reject such suggestions unless Japan offered concessions: What had Tokyo done to deserve a meeting with the American president? From Grew's perspective, any meeting was worth arranging as the crisis deepened and nightmares loomed.

But it was also Grew who consistently described the futility of engagement. In a September 1940 telegram, Grew wrote that "diplomacy has been defeated." At another point, listening to the empty pledges of a Japanese official, Grew imagines "another headstone in the graveyard of Japanese promises," as Mr. Kemper puts it.

Hull and FDR had spent a lot of time in that graveyard, and they had the benefit of intelligence intercepts providing yet more evidence of Tokyo's duplicity. Still, one needn't agree with the author at every point to appreciate "Our Man in Tokyo." It is gripping history, offering both drama and suspense, even when we all know how the story will end.

Mr. Nagorski, the global editor at Grid, is the author of "Miracles on the Water: The Heroic Survivors of a World War II U-Boat Attack."

OPINION

REVIEW & OUTLOOK

China's Revolt Against Zero-Covid

China's Communist Party runs the world's most extensive surveillance and police state, so any public protest against its policies takes courage and runs great personal risk. That's all the more reason to recognize the widespread demonstrations that broke out this weekend against the Chinese government's draconian zero-Covid restrictions.

> **Protests across the country reveal deep anger and frustration.**

They reveal the public's deep frustration after three years of the world's most restrictive Covid policies that have shut down entire cities for weeks and months on government orders without public debate or recourse.

The trigger for the protests seems to have been an apartment fire in Urumqi, in Xinjiang province. Fire trucks reportedly had difficulty getting access to put out the fire, which killed 10. Xinjiang has been under its most recent Covid lockdown since August, and it is the Western province where Beijing has imposed mass confinement and re-education of the Uyghur Muslim minority.

The protests spread quickly throughout China as young people in particular went to the streets. Some held blank sheets of paper, which has become a symbolic protest against the restrictions on speaking against the Covid coercion and other abuses.

Local protests aren't uncommon in China, typically against some environmental, commercial or local government abuse. The protesters typically appeal to Beijing to right the wrong. But these protests are notable for criticizing a national policy and Communist government excesses. Video from Shanghai even showed Chinese shouting "Xi Jinping, step down!"—referring to the head of the Communist Party who was recently anointed for a third term as Chinese President. Even saying those words aloud could land them in prison.

Covid poses a particular threat in China because the regime has advertised zero-Covid as an example of the superiority of its Communist system over messy Western democracy. The policy has kept the number of Covid deaths low compared to the West, if you trust China's official statistics.

But the lockdowns haven't been able to control Covid, only delay its spread. Nearly three years of lockdowns mean the Chinese public has far less natural immunity. In their blinkered nationalism, Chinese leaders refused to import Western mRNA vaccines. The domestic Sinovac vaccine offers less protection as the coronavirus mutates.

China's elderly are especially vulnerable, and there is too little hospital space to accommodate seriously ill patients if the country eases Covid restrictions. The southern city of Guangzhou said this month it is building quarantine facilities and hospital beds for 250,000 people.

Westerners who admire Chinese "stability" and central planning might consider that the government has had three years of Covid to prepare the hospital system. Rest assured Party commissars in Beijing won't wait in line for an intensive-care bed.

* * *

Authoritarian regimes often conceal simmering discontent until it suddenly breaks out. China's leaders fear public protests in the calmest of times, and Covid will heighten their anxiety. Lockdowns have caused economic growth to slow to less than 3% this year, and the real-estate bust is shrinking the net worth of tens of millions of middle-class Chinese.

Mr. Xi and the Party will be ruthless in putting down protests if they continue. Police broke up peaceful demonstrations in Shanghai and other cities on Saturday and Sunday, and videos recorded on iPhones show arrests being made. The Party's security apparatus will use its monitoring ability and facial recognition to identify the participants, and many if not all of the demonstrators will be arrested in the days ahead. Many will simply disappear.

But it is important to watch if the regime begins to ease zero-Covid, even if it doesn't admit this as a response to the protests. Look to see, too, if signs of dissent appear among Party elites. Despite his recent elevation to Mao-like status, Mr. Xi's control may not be as total as Party propagandists suggest.

The rest of us should welcome this Chinese uprising against Party control, even if it is mainly aimed at zero-Covid. President Biden ought to find his voice to support popular protests that remain peaceful, though no doubt Beijing will use whatever foreigners say to claim the protests are U.S.-inspired. But the Chinese public knows who is responsible for zero-Covid, and it isn't a foreign power.

Donald Trump's Bad Dinner Guests

Donald Trump's presidential campaign is barely two weeks old, and already it has his trademarks of bad company and bad judgment. Both were on display Tuesday evening when he hosted the rapper Kanye West (who now goes by Ye) and some comrades for dinner at Mar-a-Lago. One of the hangers-on was 24-year-old Nick Fuentes, a white nationalist who mocks the Holocaust.

> **He still hasn't apologized for hosting Nick Fuentes.**

Mr. Trump claims that Mr. West had asked to see him and brought along Mr. Fuentes. The former President says he didn't know who Mr. Fuentes is, but both Mr. West and Mr. Fuentes have said since the meeting that Mr. Trump was impressed with Mr. Fuentes's political insight. That may be because sources on hand for the dinner have leaked to reporters that Mr. Fuentes flattered Mr. Trump. Nothing goes further at Mar-a-Lago than flattery.

Others have lambasted Mr. Trump for hosting Mr. Fuentes, including David Friedman, who was ambassador to Israel during the Trump Presidency. Mr. Trump's failure to vet visitors is an example of his usual lack of organization and discipline, especially given that Mr. West has also been spreading anti-Semitic conspiracy theories.

But worse is that Mr. Trump hasn't admitted his mistake in hosting the men or distanced himself from the odious views of Mr. Fuentes. Instead Mr. Trump portrays himself as an innocent who was taken advantage of by Mr. West. This is also all-too-typical of Mr. Trump's behavior as President. He usually ducked responsibility and never did manage to denounce the Proud Boys, the Oath Keepers, or others who have resorted to divisive racial politics, or even violence as on Jan. 6, 2021.

Mr. Trump isn't going to change, and the next two years will inevitably feature many more such damaging episodes. Republicans who continue to go along for the ride with Mr. Trump are teeing themselves up for disaster in 2024.

Another Political Shot at Insulin

Raphael Warnock is fighting to save his Senate seat in Georgia's Dec. 6 run off, and the Democrat has been running on his efforts to cap insulin prices. Alas, this lousy idea could hitch a ride through Congress during the lame duck session, so it's worth revisiting the risks of price controls.

> **Now the politicians want to cap prices on the drug in the private market.**

Multiple bills in Congress propose capping what patients pay for insulin at $35 a month. Congress passed such a cap on insulin prices for those covered by Medicare earlier this year as part of the Inflation Reduction Act. A proposal from Sens. Jeanne Shaheen (D., N.H.) and Susan Collins (R., Maine), known as the Insulin Act, aims to cap costs for patients with private insurance.

You won't read it elsewhere, but the net price of insulin has been falling for years. The problem is that some patients, mostly uninsured, don't benefit from negotiated discounts and get stuck paying the sticker price. Only about one-fifth of patients with commercial insurance pay more than $35 a month for insulin, according to an analysis from the data company IQVIA.

"Notably," IQVIA found in a report this year, "the amount spent for prescriptions over $35 has been declining." This owes in part to Trump Administration IRS guidance that allows high-deductible health plans to cover insulin before families hit the deductible.

In general, patients are paying less at the pharmacy counter, not more. Out-of-pocket insulin costs have declined by $500 million since 2018 across Medicare, Medicaid and the commercial and cash markets. Low-income Americans on Medicaid generally have de minimis copays. The large insulin companies also offer copay cards to limit out-of-pocket costs for those without insurance.

The Shaheen bill would use various carrots and sticks to prod drug makers into a "voluntary" pricing process. The rigmarole would essentially freeze 2021 prices, precisely as insulin prices are poised to fall further. Generic insulin has entered the market in recent years. That has put downward pressure on prices, and half a dozen more insulin products are in the works. In other words, Congress thinks it's going after Big Pharma—but it's shielding the drug companies from competitive price discipline.

No one will take a big bet on a better insulin if there may be a political ceiling on the return, and Congress has been sending investors a loud message that their capital is better invested in the next DoorDash than in new drugs.

The timing couldn't be worse given the pace of medical progress. The Food and Drug Administration recently approved a drug that can delay the onset of Type 1 diabetes that typically appears in children. The press is sniping that the treatment costs nearly $200,000, though that is a steal compared with years of diabetes management.

To the extent insulin markets are dysfunctional, government bears part of the blame—such as the enormous Medicaid rebates on the drug that distort prices. The cap for Medicare patients passed this year will no doubt result in increased premiums and other unintended consequences. The best thing Congress could do now is decline to make matters worse.

LETTERS TO THE EDITOR

Sen. Warren and the New Wild West of Crypto

Behind the problem with FTX was the SEC's failure to create a path for digital-asset exchanges. This drove FTX to do its business overseas, where it was able to make its own rules and gamble with investors' deposits. Existing regulatory regimes in the U.S. and U.S.-based companies remain the best protections against fraud ("Regulate Crypto or It'll Take Down the Economy" by Elizabeth Warren, op-ed, Nov. 23).

Not every financial instrument is guaranteed a return on investment. Risk is inherent. In 2000, at the height of the dot-com bubble, Pets.com lost nearly $150 million, but online retail became one of the most profitable investments in history.

Following the flawed, sky-is-falling, "Chicken Little" logic of Sen. Warren, regulators in 2000 should have forced the internet into a government-run, highly regulated platform, instead of allowing it to mature naturally into the successful marketplace it is today.

Like the internet of 2000, the digital-asset market of 2022 should abide by existing consumer-protection rules and allow digital-asset securities, commodities and exchanges. Overregulating, however, will stifle innovation and limit consumer choice.

Digital assets provide the opportunity to make more private, secure and quick transactions across entirely electronic platforms. This is certainly innovative, but hardly likely to take down the entire economy.

DAVID MCINTOSH
President, Club for Growth
Washington

Although I rarely agree with anything Sen. Warren has to say, I agree with her crypto analysis and recommendations for regulation.

Investors need to realize that there is risk involved with any investment. You can't always depend on the government to protect your interests. To me, it seemed that there was nothing there with crypto, and that investors were essentially buying an unregulated computer program, backed by nothing, that could be used by criminals for their transactions.

The tulip trade comes to mind.

KATHLEEN TAYLOR
Newport Coast, Calif.

"Congress must plug the remaining holes in our regulatory structure. Congress should act quickly to erase any doubts," writes Sen. Warren. As a long-term crypto investor, I agree and welcome regulation to protect investors. Congress needs to provide clarity, since the federal agencies have failed to do so. But Ms. Warren's party has had control of Congress for almost two years. When she writes, "Congress should step in," I wonder: What has she been waiting for?

TRAVIS STRANG
Dexter, Mich.

Perhaps the fine senator from Massachusetts should have included student loans backed by the government in her list of "financial innovations . . . that began with dazzling rewards and ended with crippling losses."

MIKE FLYNN
Ardmore, Pa.

Lockdowns First Lingered on Trump's Watch

Justin Hart omits an aspect of President Donald Trump's lockdown mistake: the $5 trillion incurred in additional federal debt, which will constrain future policy choices, elevate inflation and exacerbate political strife ("Covid Lockdowns Disqualify Trump," op-ed, Nov, 17). I wonder to what extent the Covid giveaways have also ingrained the "something for nothing" mentality, which is all too pervasive.

The other disqualifying factor is Mr. Trump's two month tantrum post 2020 election leading directly to the loss of the Senate through the Georgia runoff elections. For logical Republicans, this is unforgivable.

PAUL MATTEN
Naples, Fla.

Two dozen red roses to Mr. Hart for giving me the first solid reason to withdraw my support for Mr. Trump's re-election effort. Despite his many accomplishments in office, Mr. Trump's political inexperience, exacerbated by his narcissism, made him vulnerable to the influence of his enemies in the Washington establishment. He never really understood the forces arrayed against him in 2020 until it was all over.

Sadly, Mr. Trump seems to have learned nothing from the experience. Unable to defeat Joe Biden, a weak 2020 opponent, even with all Mr. Trump's accomplishments in office and all the advantages of incumbency, it is hard to believe that he can win re-election in 2024 with all the damage he has absorbed, both fair and unfair, since 2016.

J. DAVID HOSFIELD
Lake Oswego, Ore.

The Changing Names of a New Father-in-Law

When my now-son-in-law asked for my blessing to his request to marry our oldest daughter, after readily giving it, I addressed the "what are we going to call each other" issue ("Hey You, Please Pass the Gravy," Page One, Nov. 22). I offered that my being called "Dad" wasn't the best option, as he already had two "Dads" because his divorced parents had remarried. He didn't need a third "Dad." I thought "Mr. McCarthy" was too formal, but would be OK with "Tom."

While he pondered those choices, I cheekily suggested "Sire" as an option. I thought it appropriate and somewhat stately. "Sire" it was for about four years until our granddaughter, then two years old, saw cuts and scrapes as a result of my falling while running and pointed to my "boo-boo." Over the next few weeks of FaceTime she would ask, "How's BooBoo?"

Thus, I went, family-wide, from "Sire" to "BooBoo." Leave it to the mouths of babes to solve the thorny issues.

TOM MCCARTHY
Alexandria, Va.

Thanksgiving Editorials Need a 21st-Century Update

As much as I enjoy the continuity of your annual Thanksgiving editorials "The Desolate Wilderness" and "And the Fair Land" (Review & Outlook, Nov. 23), at some point one must face the fact that our culture changes. What sounded fine in 1961 really doesn't sound fine in 2022 (or 1990 or 2010, for that matter).

The word "woman" isn't to be found in these editorials at all. Yes, we are an enduring society of "free" men, but we are a more enduring society with free women and men "governing themselves without benefit of kings or dictators." Don't you think it is time to either update this piece or write a new one that embraces our culture today, so that readers 61 years from now won't think you are totally outdated?

AMY MINELLA
Minden, Nev.

Win Minnesota? Dream On

In "Brian Kemp Is GOP's Best Bet for 2024" (op-ed, Nov. 22), Scott Westcott mentions that Gov. Brian Kemp of Georgia is "bland and pragmatic enough to appeal to Wisconsin and Minnesota residents." As a lifelong Minnesota resident, I must say: Any case for a GOP presidential candidate that contains a hint of "appealing to Minnesota" as part of the strategy is doomed. The GOP hasn't won Minnesota since Richard Nixon's landslide victory in 1972. Donald Trump came close in 2016, but he spent way too much time here. Bland and pragmatic can't carry the country in 2024, especially if the economy has recovered by then.

PATRICK PULLES
Minneapolis

Too Many Kids' Books to Buy

Meghan Cox Gurdon's reviews of children's books are a delight to read ("Holiday Gift Books: Reading for Children," Nov. 19). But I'm steadily going broke with all these books she entices me to buy. I have several grandchildren and more are on the way. Maybe cut back on the number of reviews she writes?

DAVE OWEN
Bloomfield Hills, Mich.

Letters intended for publication should be emailed to wsj.ltrs@wsj.com. Please include your city, state and telephone number. All letters are subject to editing, and unpublished letters cannot be acknowledged.

Pepper ... And Salt

THE WALL STREET JOURNAL

"Forget 10,000 steps. I've programmed it to help me reach 10,000 dollars a day."

OPINION

Centralization Caused the FTX Fiasco

By Vivek Ramaswamy And Mark Lurie

Sam Bankman-Fried was among the most prominent public advocates of responsible cryptocurrency regulation. The collapse of FTX, his $40 billion exchange, has amplified calls for more regulation. These demands are misplaced if they fail to distinguish between centralized and decentralized exchanges—a critical distinction that Mr. Bankman-Fried conveniently elided in his lobbying efforts.

In a centralized exchange, customers deposit funds into an account and initiate trades by submitting a buy or sell order. That order is matched to an offsetting order from another customer in a central limit-order book, typically run on private servers, after which the trade is cleared and settled. Investors buy stocks, bonds, commodities, futures and other financial instruments the same way.

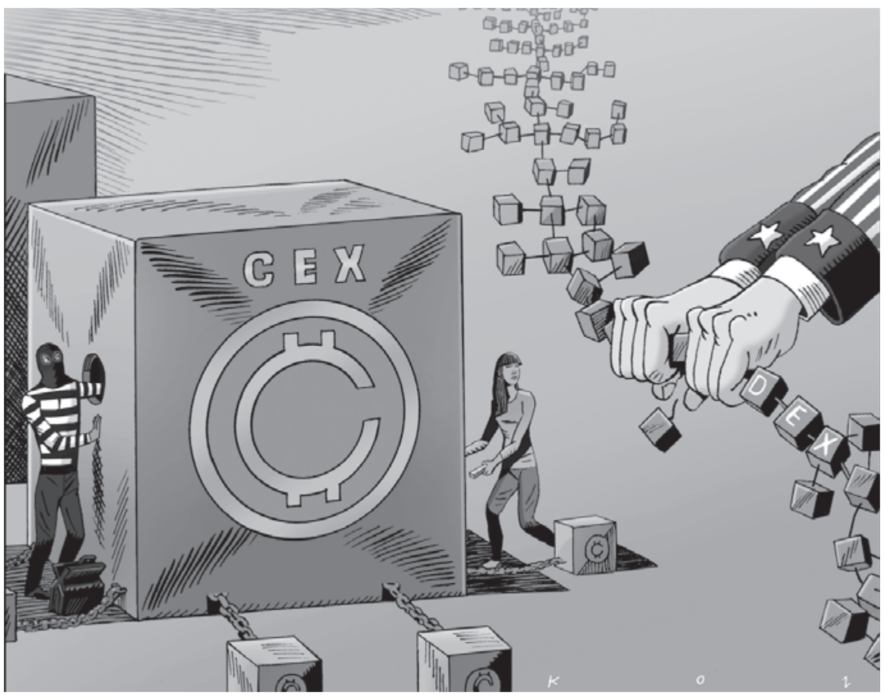
Automated market makers can obviate the need to hold customer money and the opportunity for fraud.

Over the past decade, entrepreneurs have created similar exchanges to trade cryptocurrencies. FTX specialized in digital assets but was conceptually similar to a simple traditional exchange. So are Coinbase and Binance, among others.

The critical element in such a system is that somebody—either the operator of the central limit-order book or an independent intermediary like a brokerage—takes custody of user funds. That provides certainty that when the exchange matches an order, each party will settle. If buyers or sellers could renege, they would do so whenever it was to their advantage, rendering the exchange unreliable and useless.

If FTX were a U.S. stock exchange rather than a cryptocurrency exchange, regulations would have required user funds to be held by an outside custodian and orders routed through a brokerage, but it would have been equally possible—and illegal—for a bad actor, working for the custodian, to misappropriate funds. Preventing that is the paramount goal of U.S. regulations governing exchanges.

Decentralized exchanges, by contrast, require no custody thanks to the blockchain-based innovation of the automated market maker. An exchange attracts liquidity providers, which deposit tokenized assets into a smart contract. A smart contract is a piece of code stored simultaneously on thousands of computers that use the blockchain to agree on the same result each time the code runs. Collectively, the assets in this smart contract provide an inventory for traders who swap them at prices determined by a formula also contained in the smart contract. For this service, traders pay a small fee on each trade, providing revenue to the exchange and a return to the liquidity providers.



MARTIN KOZLOWSKI

Because smart contracts are publicly visible, the funds within them are easy to audit. Because they can't be altered by any one person (assuming the underlying code is strong), the money is impossible for any one person to steal. Because no actor assumes custody, there's no risk of theft by a rogue manager. This system requires us to trust bits of public code rather than potentially culpable humans.

Popular vernacular associates cryptocurrency with "decentralized finance," or DeFi. This leads to a conflation of FTX's public image with that of decentralized exchanges. But if FTX were a decentralized exchange, Mr. Bankman-Fried would have been unable to drain its accounts of customer funds.

To be sure, DeFi isn't risk-free—code is subject to attack. Hackers have snatched more than $3 billion from decentralized financial applications in 2022, including $611 million from Poly Network, $190 million in the Nomad bridge exploit (in which a faulty code update allowed anyone to withdraw the deposits of others), and $130 million from Cream Finance. Wintermute, a sophisticated trading firm, lost $160 million after generating keys (passwords) for its own wallets that proved easy for hackers to guess.

But DeFi code grows stronger every day, owing partly to these battle scars. Leading protocols such as MakerDAO, Compound and Clipper hold more than $15 billion, and their user funds have never been hacked. Law-enforcement and industry-monitoring outfits have sharply improved their ability to trace and recover crypto assets. Authorities recovered more than half of the $4 million Colonial Pipeline ransom, and one of the largest holders of Bitcoin is the U.S. government, with more than 1% of the total supply as a result of successful seizures and recoveries.

This year, centralized crypto intermediaries have lost more customer money than decentralized protocols have. Users are starting to vote with their feet: Decentralized exchanges have processed almost $1 trillion this year, roughly 20% of all cryptocurrency trading volume.

Some claim fraud isn't possible in a U.S.-regulated exchange like Coinbase, Kraken or Gemini. But Mr. Bankman-Fried halted withdrawals and declared bankruptcy for FTX's U.S.-regulated subsidiary. Gemini froze withdrawals from its yield-generating Earn service after its U.S.-based partner, Genesis Lending, halted redemptions amid losses related to FTX.

Others argue that forcing a separation of custody, brokerage and exchange operations would have reduced conflicts of interest and kept FTX honest. This is what regulations require in most other mature markets, and it might have helped. Yet noncrypto brokerage MF Global, which was liquidated in a 2011 bankruptcy, misappropriated customer funds despite such separation of functions.

For years, observers have questioned why people would use DeFi when centralized exchanges are often faster and cheaper. The FTX story flips the question: Why should people trust their money to a third party if they don't have to?

DeFi shouldn't be ensnared in a catch-all regulatory response to the FTX debacle. Mr. Bankman-Fried's blurring of the distinction between centralized and decentralized finance is revealing: The 2022 Digital Commodities Consumer Protection Act, which he reportedly backed, might have hampered decentralized exchanges by burdening them with rules more suited to centralized ones. A one-size-fits-all regulatory approach has the effect of making decentralized exchanges less competitive with centralized ones such as FTX and thereby heightening the risk of fraud against customers.

Whenever captains of industry call for greater regulation of their own business, consumers should scrutinize their motives. Politicians who found Mr. Bankman-Fried's pitch seductive especially need to draw critical distinctions and avoid regulatory approaches that do more harm than good.

Mr. Ramaswamy is executive chairman of Strive Asset Management. Mr. Lurie is CEO of Shipyard Software, a developer of specialized decentralized exchanges, in which Mr. Ramaswamy is an investor.

Public Distrust of Health Officials Is Anthony Fauci's Legacy

LIFE SCIENCE
By Allysia Finley

Anthony Fauci gave his final press conference last week as head of the National Institute of Allergy and Infectious Diseases, a post he has held since 1984. Regrets about how he handled the Covid-19 pandemic? He had a few, but too few to mention.

Asked how "dubious" public-health advice from the Trump White House affected progress during the pandemic, Dr. Fauci boasted: "Well, you remember, if you were around, that at this podium I contradicted those, which set off a whole series of things in my life."

He added: "The people who have correct information, who take science seriously, who don't have strange, way-out theories about things but who base what they say on evidence and data need to speak up more, because the other side that just keeps putting out misinformation and disinformation seems to be tireless in that effort."

"Strange, way-out theories"? You can only guess whom he had in mind—those who argued Covid likely leaked from a Chinese lab, opposed lockdowns in favor of focusing protection on the most vulnerable, questioned the "science" of mask mandates, and said schools should remain open since children were at low risk of illness.

Dr. Fauci said he wants to be remembered for his work on infectious diseases, such as HIV and Ebola, prior to the pandemic. "Although Covid is really, really very important, it is a fragment of the total 40 years that I've been doing it." Alas, Dr. Fauci's legacy will be marred by his divisive and arrogant leadership on that really, really very important fragment.

Start with his dissembling on masks. When the virus began to spread in the U.S., he advised that "there's no reason to be walking around with a mask." He later reversed himself and acknowledged his earlier guidance was based on worries that there wouldn't be enough masks for healthcare workers. In other words, he told an expedient lie.

Weeks later he endorsed universal masking even though studies showed cloth masks don't protect against other respiratory viruses and there was little evidence they would do so against Covid. Over time it became clear that Covid was spreading through aerosols, tiny particles that cloth and surgical masks do a poor job of filtering out.

So Dr. Fauci recommended double masking, for which there was scant evidence. "If you have a physical covering with one layer, you put another layer on—it just makes common sense that it likely would be more effective," he told NBC News's TODAY.

He presented his judgment as beyond reproach, while consistently flip-flopping and silencing dissent.

Yet common sense also suggested lockdowns wouldn't work. When China locked down its Wuhan region in January 2020, Dr. Fauci expressed doubts in an interview with CNN: "Historically, when you shut things down, it doesn't have a major effect."

Here, too, Dr. Fauci swiftly reversed his position. The initial call by Trump public-health officials for "15 days to slow the spread" in March 2020 stretched into two years as Dr. Fauci invoked one virus flare-up after another to argue for keeping public restrictions.

Some scientists in fall 2020 offered an alternative strategy of "focused protection" for the elderly and high-risk patients in a document called the Great Barrington Declaration. "Adopting measures to protect the vulnerable should be the central aim of public health responses to COVID-19," it read. "Those who are not vulnerable should immediately be allowed to resume life as normal."

Dr. Fauci worked with then-National Institutes of Health Director Francis Collins to "take down" the declaration. "This proposal from the three fringe epidemiologists . . . seems to be getting a lot of attention—and even a co-signature from Nobel Prize winner Mike Leavitt at Stanford," Dr. Collins wrote to Dr. Fauci in an email. "There needs to be a quick and devastating published take down of its premises," he continued. The two subsequently did multiple media interviews denouncing the strategy in an effort to chill debate. "It's nonsense," Dr. Fauci told ABC.

Dr. Fauci also dismissed the hypothesis that the virus leaked from a lab, perhaps to protect his agency, which helped fund gain-of-function virus research at the Wuhan Institute of Virology. Researchers who have studied the virus's genetic sequence say it most likely leaked from the lab, but without assistance from China this may be impossible to prove.

Yet in an interview with Wired magazine this month, Dr. Fauci implied that those who disagree are ignorant or malicious: "I believe that anybody who studies this situation can't in good conscience say that the lab leak is the most likely explanation." During last week's press conference, White House press secretary Karine Jean-Pierre slapped down reporters who asked Dr. Fauci about the virus's origins and lab-leak investigation.

How dare anyone question Dr. Fauci's expertise and judgment? If you don't agree with him, you don't believe in science. "It's easy to criticize, but they're really criticizing science because I represent science. That's dangerous," Dr. Fauci asserted last November. But open debate and inquiry is the essence of the scientific method.

Like all of us, Dr. Fauci is a mere mortal who has character flaws, hubris most of all. He presented himself as infallible. Many liberals all but worshiped him. His high-handedness and lack of candor with the public sowed distrust in health officials and vaccines. No matter how much he pleads to the contrary, that will be his legacy.

We Need a Break From the Permanent Election Frenzy

By Joseph Epstein

Has there ever been an election so relentlessly dreary as the one we have just been through? The day after Election Day a cable-show panelist remarked that "there are only 727 days until the next election." He laughed. I didn't.

I'm suffering from political exhaustion. I'm bored and saddened, satiated with talk of electoral politics. In some places it took nearly three weeks to count the votes. I've seen more polls than Poland has Poles. And most of those polls turned out to be wrong. Mistaken predictions from so-called experts preponderated. There was no tsunami, wave or serious turning of any tide in the political fortunes of the country. I have seen all the TV white boards I care ever to see, with men in shirt sleeves—the working press?—indicating states, counties, cities, neighborhoods going for one party or the other.

Worst of all have been the TV ads. Apparently more than $16 billion was spent on them in this cycle. That's a sum that could pay to house the homeless, return the insane back to safe mental institutions, or buy eight NBA franchises. The vast majority of these ads were on the attack, entirely negative, not advancing a candidate's best qualities but setting out what a swine his or her opponent is.

On one side relatively obscure incumbent congressmen were accused of bringing on inflation, causing urban crime, opening up the borders, turning the country over to socialism. On the other side, opposing politicians were accused of being threats to democracy, supporters of systemic racism, in favor of cutting off women's access to health services. A recent New Yorker cartoon by Mort Gerberg captures things nicely. In a Capitol Hill boardroom beneath a portrait of Donald Trump, a devious looking politician instructs colleagues: "Remember, it's not how well we represent *our* views—it's how well we lie about theirs."

On the subject of lies and euphemisms, the prize this time around surely goes to "women's health," which stood as a euphemism for abortion. Apart from cases of serious health complications, rape or incest, abortion is little more than a medical remedy for sloppy or irresponsible fornication. I speak with some authority here, being a former chairman of the Unplanned Parenthood Committee in my old neighborhood.

The midterms also highlighted a particularly Machiavellian strategy: contributing to the defeat of formidable candidates in the other party's primary so you face a weaker opponent in the general election. I watched this play out in Illinois, where Gov. J. B. Pritzker, a Democrat, is said to have spent millions of his own money on negative ads in the GOP primary to help Trump-endorsed state Sen. Darren Bailey defeat Richard Irvin, the black Republican mayor of Aurora. In a democracy, when money talks, what it has to say is generally obscene.

A dispiriting midterm cycle has only just finished and the 2024 presidential race has already started.

For those of us who have had more than our fill of electoral politics, Mr. Trump's recent announcement that he is running again for the White House isn't a good thing. Mr. Trump has released the dogs much too early. The next 24 months will see endless panels formed to discuss the Trump-DeSantis question. The age of Joe Biden will also get another heavy workout. The pollsters will slog back to work, the panelists will await invitations to display their expertise, the pundits will dance their dance. The beat, as the old disc jockeys used to say, will go on, and on and on and on.

How much better things would have been if time—eight or nine months, say—were set aside to knock off all the blather, kick back, chill. But it is not to be; perhaps it never will be again, and the country will henceforth live in a permanent state of electoral frenzy: a state of claim and counterclaim, insults delivered and returned, hyperbole everywhere, agitation reigning generally. In a permanent electoral state, much talk will be heard about rivaling theories of government, but not much useful governing is likely to get done.

Aristotle argues in his "Politics" that "true forms of government will of necessity have just laws, and perverted forms of government have unjust laws." Under which, one wonders, would the great philosopher have placed America's recent midterm elections?

Mr. Epstein is author, most recently, of "Gallimaufry: A Collection of Essays, Reviews, Bits."

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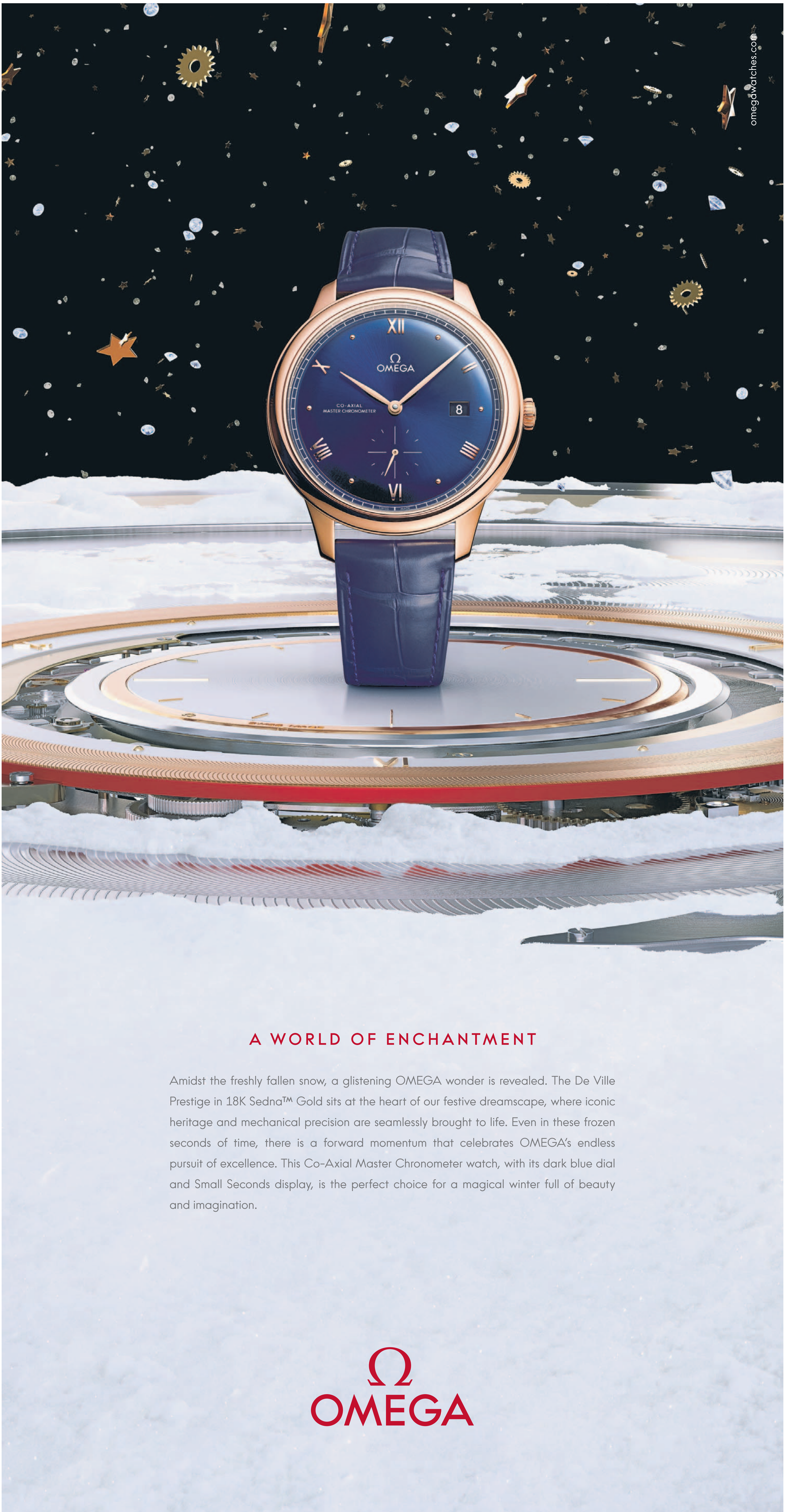
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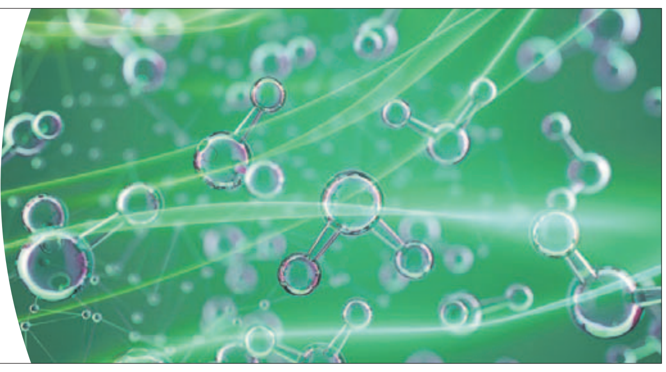

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BUSINESS & FINANCE

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Black Friday Shoppers Came Back

Stores on average welcomed more consumers in key test for holiday sales

BY SARAH NASSAUER

JUTHARAT PINYODOONYACHET FOR THE WALL STREET JOURNAL

To clear out excess inventory, retailers offered heavy discounts, a move that could eat into their quarterly profits.

Americans returned to their prepandemic habits on Black Friday as they spent more time and money in stores than last year, but some data show they were also cautious with spending as inflation weighs on their pocketbooks.

The boost in store traffic over Black Friday comes after a surge last year from 2020, the first year of the Covid-19 pandemic when many shoppers favored buying online. Shoppers still bought items online this year, but many browsed in stores, reveling in a holiday tradition, according to early data. Some consultants and industry groups have predicted slower sales growth for the overall holiday season compared with last year.

Shoppers who held off on purchases are betting on even better deals in the days leading up to Christmas, which falls on a Sunday this year, according to shoppers and retail executives. High gasoline and grocery prices are also weighing on many households.

Chloe Gonzales woke up at 4 a.m. in Austin, Texas, to do some Christmas shopping and look for winter clothes on Black Friday. "People are less fearful about going out now," Ms. Gonzales said. "They're not as worried about Covid."

Ms. Gonzales said she has found good deals this year but added that she is spending a little more money compared with last year. This time, she found a leather jacket for 50% off. "I like the thrill of going out shopping and finding a good deal," Ms. Gonzales said.

Store traffic rose 7% this Black Friday compared with last, said RetailNext, a firm that tracks shopper counts in thousands of stores with cameras and sensors. In-store sales rose 0.1%, and the average shopper spent less per visit than last year, according to the firm. Sensormatic Solutions, another firm that analyzes store traffic, said Black Friday traffic rose 2.9% compared with 2021.

Black Friday had been losing importance before the

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Disney Misfires on 'Strange World'

BY ERICH SCHWARTZEL

LOS ANGELES—Add **Walt Disney** Co.'s animation woes to Robert Iger's to-do list.

The company's latest release, "Strange World," this weekend became the second consecutive Disney animated offering to bomb at the box office, collecting just $18.6 million since opening Wednesday.

That showing marks the second 2022 misfire from Disney, after this summer's "Lightyear"—an unusual record for a company long considered a guaranteed hitmaker in children's entertainment.

It has been years since Disney's animation division has experienced a theatrical performance as bad as "Strange World." In March 2021, the company's "Raya and the Last Dragon" opened to $8.5 million amid a pandemic landscape that saw moviegoing plummet, but other examples of such a low opening are more than 10 years old.

Disney can weather a miss or two. But the poor performance of "Strange World" highlights one of the issues facing Mr. Iger, who was Disney's chief executive from 2005 to 2020 and returned to the top job last week when the company's board shocked Hollywood and fired his onetime successor, Bob Chapek. He returns to a theatrical environment far harsher to animated releases than the one he left.

Among Disney employees, the distribution of the company's animated movies was considered one of the crucial differences between Messrs. Iger and Chapek.

Under Mr. Chapek, several would-be theatrical titles were shipped to Disney streaming services when Covid-19 closed theaters and the company had given priority to boosting subscriber numbers.

In his first few days on the job, Mr. Iger said he planned

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Weak Earnings Expected to Pressure Stocks

BY HANNAH MIAO

Markets have had a good run in recent weeks, but some investors expect unimpressive earnings to send stocks lower again.

The recent turnaround has occurred amid expectations the Federal Reserve could slow the pace of its rate increases as soon as December. That has been a welcome change, since stocks have been under pressure throughout the year thanks to roaring inflation and the Fed's aggressive rate-raising campaign to try to curb the rising prices. The S&P 500 is down 16% this year but up 13% from Oct. 12, its lowest close of 2022.

Investors say recent optimism in the markets could soon evaporate as corporate profits get squeezed further. Market participants often use the ratio of a company's share price to its earnings as a gauge for whether a stock appears cheap or pricey. If the earnings side of the equation pulls back, that could make the market look overpriced.

"The market just wants to keep going up," said Sandi Bragar, chief client officer at wealth-management firm Aspiriant. "It would be great if it could, but the fundamentals just don't seem there."

With results in from 97% of companies in the S&P 500, index constituents are on track to post roughly 2% year-over-year profit growth for the third quarter, according to FactSet. That would mark the slowest earnings growth since the third quarter of 2020, in the height of the pandemic.

In the week ahead, companies including **Salesforce** Inc., **Dollar General** Corp. and **Kroger** Co. are slated to report quarterly results. Investors will also parse data on the health of the economy, with the latest consumer-confidence reading, gross-domestic-product estimate and the Labor Department's monthly jobs report on deck.

Wall Street analysts have also sharply marked down cur-

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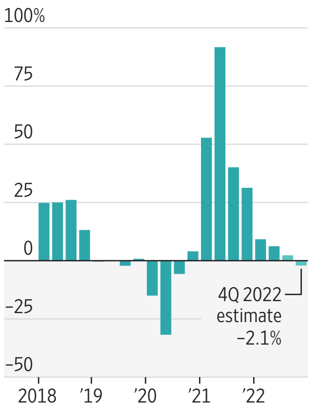
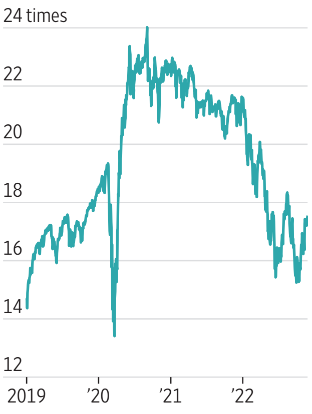
S&P 500 quarterly earnings, change from a year earlier*



S&P 500 12-month forward price/earnings multiple†



*Third quarter 2022 earnings growth based on blend of actual results and estimates. Fourth quarter 2022 earnings growth based on estimates. As of Nov. 25 †As of Nov. 23

Source: FactSet

Potash Problem Vexes Exxon Mobil in Permian

BY COLLIN EATON

A vital crop nutrient that lies underground near oil and natural-gas reserves is holding back **Exxon Mobil** Corp.'s development of a key asset in the booming Permian Basin.

Unlike many of its rivals in the largest U.S. oil patch, the Texas oil company shares a K chunk of its land with mining companies that extract potash and other minerals used to produce fertilizer from underground mines, blocking drillers' direct access to bounties of oil-soaked rocks.

Exxon paid $5.6 billion in 2017 for prime acreage in New Mexico's fast-growing Delaware region, part of the broader Permian, which stretches into Texas, and it is now a pillar of the company's growth plans.

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Netflix Finds Theater Hit in 'Glass Onion'

BY ERICH SCHWARTZEL AND SARAH KROUSE

NETFLIX/EVERETT COLLECTION

'Glass Onion: A Knives Out Mystery' reportedly had the best per-screen gross of any film this weekend.

Streaming pioneer **Netflix** Inc. gave movie theaters something to be thankful for this year.

The streaming platform's "Glass Onion: A Knives Out Mystery" made $9.2 million between Friday and Sunday, or an average of $13,200 per screen, a higher per-screen performance than any other movie in the U.S. and Canada this weekend, according to a person familiar with the matter.

The strong showing for the "Knives Out" sequel is likely to bolster arguments in Hollywood that streaming services should release more highly anticipated films like "Glass Onion" in theaters before sending them to their in-home platforms.

"Glass Onion" is expected to bring in $13.3 million in ticket sales Wednesday to Sunday, the person said, for average revenue per screen of $19,050. The movie proved a bright spot for exhibitors over a weekend that is traditionally strong for ticket sales but this year saw several high-profile duds from major studios such as Walt Disney Co.'s "Strange World" and the cannibal romance "Bones and All," from United Artists Releasing.

Theaters aren't releasing box-office performance figures for "Glass Onion" as part of their agreement with Netflix.

Netflix embraced an unusual release model for the film, debuting it in hundreds of theaters for just one week between Nov. 23 and 29, a month before a planned release on its streaming service.

In the past, Netflix has generally debuted its theatrical releases on a small number of screens a few days before films are available to stream.

In Hollywood, broad theatrical releases are typically defined as films appearing on thousands of screens for a month or more. Most major films are released several weeks, if not months before they are available to stream or even rent at home.

Dani Walsh, 34, and her husband in central Utah got a babysitter on Friday night and went to see the film at a sold-out 10 p.m. showing. She had purchased tickets by clicking a link that filmmaker Rian Johnson tweeted.

"We just felt excited we could even see it in theaters," she said. "It pulled you right in."

Her family discussed the film at the Thanksgiving dinner table before their trip to the theater, and some didn't go due to the limited release.

At Netflix, executives have been divided over whether to

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BUSINESS & FINANCE

A New Perk for Cyber Employees: Volunteer Work With Nonprofits

By Catherine Stupp

Some companies are encouraging their cyber employees to volunteer at nonprofits, a nudge managers say can help businesses retain in-demand technical experts despite high turnover in security roles.

The CyberPeace Institute, a Geneva-based group that helps nonprofits, humanitarian and healthcare organizations address cybersecurity, set up a program last year to enlist professionals from the corporate world to explain things like email phishing to nonprofits that might lack the budget to hire their own experts.

Janet Roberts, global head of security awareness and training at Zurich Insurance Group AG, is one of around 10 employees at the insurer who started volunteering for the CyberPeace Institute this year. For one nonprofit, Ms. Roberts is working with Zurich threat-intelligence experts to put together a training session for technology employees who have privileged access to systems. Volunteering not only feels rewarding, it fits the ethos of the typical cyber professional, she said.

"Most of the people I work with in cybersecurity very much like stopping criminals, protecting employees," she added.

Employers that encourage volunteering by their cyber staff stand out in a tough hiring market, said Stéphane Duguin, chief executive of the CyberPeace Institute. The unpaid outside work "positions them differently when it comes to attracting cyber talent and retaining talent," he said.

The work is done entirely online and is designed to proffer advice on technical, legal or marketing issues related to cybersecurity and responding to a breach, said Fabien Leimgruber, a senior program manager at CyberPeace. Nonprofits that receive the volunteer advice might have as few as five employees, or as many as 20,000, he said. Small outfits often have no IT or cyber staff at all, he added.

After a 2020 cyberattack on Roots of Peace, a California-based nonprofit that turns fields once studded with land mines into farmland, Chief Executive Heidi Kühn contacted the CyberPeace Institute for help. Hackers had used fraudulent emails to steal $1.3 million from her organization.

"I don't have the luxury of hiring more people," she said, adding that hackers stole from the organization's limited operational funds.

The CyberPeace Institute investigated the hack and advised Ms. Kühn on crisis management and tech policies. The group was duped into sending money to an account in a Chinese bank, and in September, she received $175,000 from the bank after filing a claim. Still, funds are short, forcing her to shut the organization's Washington office and cancel plans to hire new staff.

Mastercard Inc. plans to lend employees to CyberPeace this month, said Tim Murphy, chief administrative officer at the financial services company. To start, around 10 of its cyber staff will be able to sign up, he said.

Corporate security experts often come from government, law enforcement and military backgrounds and have a sense of mission that lends itself to volunteer work, Mr. Murphy said. Cybersecurity as a field is "designed to keep the public safe, so it's a particularly strong area where people want to find a way to give back," he said.

Netflix Finds a Theater Hit

Continued from page B1

pursue more frequent and broader theatrical releases for films they think could hit at the box office. Co-CEO Ted Sarandos has opposed doing so in part because of the marketing expenses associated with theatrical releases, and because he is concerned it could devalue Netflix subscriptions, the centerpiece of the company's business model, The Wall Street Journal previously reported.

"We're in the business of entertaining our members with Netflix movies on Netflix," Mr. Sarandos said on the company's November earnings call.

The first "Knives Out" premiered over Thanksgiving weekend in 2019 to $41.4 million and went on to gross $165 million in the U.S. and Canada, giving Hollywood a rarity in today's business: a hit movie based on an original idea, and not derived from a comic book or the sequel to a well-known property.

The first movie was released by Lions Gate Entertainment Corp., and Netflix purchased the rights to two sequels for nearly $450 million, among the biggest payouts by a streaming service for distribution rights.

Charli Ball, a 24-year-old murder-mystery fan in Newfoundland, was excited to hear that a sequel to "Knives Out" would be made, but was nervous when she saw that Netflix bought the rights because she feared she wouldn't be able to see the movie in theaters.

When she learned that she could go see it on the big screen, she bought her ticket a month early and saw the film on its opening day with her mother.

"There's something special about getting to watch something for the first time with a lot of people" as excited as she was, Ms. Ball said. "Everyone gasps and laughs together. It kind of makes me feel human."

For years, major theater chains shunned Netflix films, worried that allowing a streaming service into their auditoriums would be supporting a company already accelerating consumers' desire to watch movies at home. But as movie theaters reopened following Covid-19 closures, they were faced with a dearth of new releases from traditional studios, some of which had slowed production and shipped more films to streaming services.

Suddenly the major chains were willing to play ball with Netflix, and the nation's three largest—AMC Entertainment Holdings Inc., Regal Cinemas and Cinemark Holdings Inc.—screened "Glass Onion." The film appeared on about 600 screens in the U.S. and in some internationally. It ran in cinemas owned by all three major theater chains, a first for a Netflix movie.

Disney's New Film Bombs

Continued from page B1

to unwind significant parts of Mr. Chapek's reorganization of the company that helped determine where and when movies made their debuts.

Disney certainly wasn't alone in using theatrical releases to bolster nascent streaming services. With auditoriums closed and moviegoing depressed amid the pandemic, many major studios began skipping the theater in some instances in favor of in-house services, a flexible approach that has held even as multiplexes reopen.

Over the past two years, Disney's core animation divisions—Walt Disney Animation and Pixar Animation—were among those particularly called on to help drive subscriptions on the company's flagship streaming service, Disney+.

Pixar's "Soul," "Luca" and "Turning Red" all made debuts on the service throughout 2020 and 2022, rankling some employees who interpreted the release shift as a demotion, and worrying some executives who feared it would acclimate consumers to watching all Disney movies at home rather than paying for them in theaters, say people familiar with the matter.

The company's first major release since Covid-19 shut most theaters, last Thanksgiving's "Encanto," collected a disappointing $96 million in the U.S. and Canada but found new fans during its premiere on Disney+ soon after. "Lightyear," an installment in the blockbuster "Toy Story" franchise, made its debut exclusively in theaters in June and significantly underperformed, with a domestic gross of $118 million.

DISNEY/ASSOCIATED PRESS

The poor performance of 'Strange World' is one of the issues facing Disney's chief, Robert Iger.

Estimated Box-Office Figures, Through Sunday

Film	Distributor	Weekend* (Sales, In Millions)	Cumulative (Sales, In Millions)	% Change
1. **Black Panther: Wakanda Forever**	Disney	$45.9	$367.7	-31
2. **Strange World**	Disney	$11.9	$18.6	N/A
3. **Devotion**	Sony	$6.0	$9.0	N/A
4. **The Menu**	Searchlight	$5.2	$18.7	-42
5. **Black Adam**	Warner Bros.	$3.4	$163	-27

*Friday, Saturday and Sunday in North American theaters

Source: Comscore

The shifting strategies—some movies to Disney+, some to theaters, some to both—was, to critics of Mr. Chapek's, partly a consequence of a reorganization that gave more control of distribution strategy to executives housed within the Disney Media and Entertainment Distribution division.

While creative executives at Disney Animation and Pixar would oversee production, executives within DMED would rule on what distribution path was best for a particular show or movie.

Mr. Chapek argued the delineation streamlined decisions and allowed clear-eyed analysis of what distribution route would work best for any production.

"Our creative teams will concentrate on what they do best—making world-class, franchise-based content—while our newly centralized global distribution team will focus on delivering and monetizing that content in the most optimal way across all platforms," Mr. Chapek said when he announced the reorganization in October 2020, eight months after being named CEO.

This past week, days after returning as CEO, Mr. Iger said that the head of DMED, Kareem Daniel, was leaving the company and that he had asked four lieutenants to suggest a "new structure that puts more decision-making back in the hands of our creative teams."

Shoppers Return To Stores

Continued from page B1

pandemic hit as shoppers spread out holiday shopping, grabbing earlier deals or buying more online. This year is "a bit of a return to normalcy," said Brian Field, global head of retail consulting for Sensormatic.

Sales on Black Friday rose 12% from last year, according to Mastercard SpendingPulse, which measures in-store and online retail sales across all forms of payment. The report excludes auto sales and isn't adjusted for inflation, meaning that it could reflect people paying higher prices for goods than they did in 2021.

Consumers were deal-driven, said Steve Sadove, senior adviser for Mastercard and former chief executive of department-store chain Saks Inc. "Apparel, electronics and restaurants were strong-performing sectors as consumers turned holiday shopping into a full-day experience," he said.

This holiday many retailers entered the season, which they often rely on for a significant percentage of their annual sales, with too much inventory. To clear those goods, a slew of retailers are offering heavy discounts, a move that can eat into their profits.

NITASHIA JOHNSON FOR THE WALL STREET JOURNAL

Some consultants and industry groups have predicted slower sales growth for the overall holiday season.

Consumers are also feeling less bullish about their economic prospects. Last week the University of Michigan released its November consumer-sentiment index, which fell 5.2% compared with October and is down 16% compared with November 2021.

Amid persistent inflation, retailers including **Walmart** Inc. and **Target** Corp. said shoppers were spending less on discretionary items heading into the holidays. Some chains including **Macy's** Inc., **Kohl's** Corp. and Target said sales slowed in October and early November. Some executives expect shoppers to delay holiday purchases until closer to Christmas.

It has been "kind of a lukewarm Black Friday," said David Bassuk, global co-leader of the retail practice at AlixPartners, a consulting firm. "It's more of an experience than it is a purchasing moment," he added.

Retailers are playing a game of chicken with shoppers looking for deals, Mr. Bassuk said. For a retailer, leaving the holiday season without moving enough inventory is a disaster, he said. "That's why the discounts get deeper every week," Mr. Bassuk said.

Online sales on Black Friday rose 2.3% to $9.12 billion from last year, according to Adobe Analytics, which tracks spending on websites. On Thanksgiving people spent $5.3 billion online, up 2.9% from the holiday last year, according to Adobe.

For many shoppers, Black Friday shopping is a family pastime, regardless of how much is spent.

Lazaro Allen, an artist living in New York City, visited a Best Buy Co. store in nearby Mount Vernon, N.Y., in search of a 65-inch television. He planned to head to Macy's next to buy gifts.

"There are so many TVs here," he said, looking down the aisles. He said inflation hasn't taken a significant toll on his finances, and he went to stores on Friday more out of tradition than because he expected major deals.

This month, the National Retail Federation predicted sales would rise between 6% and 8% to between $942.6 billion and $960.4 billion from Nov. 1 through Dec. 31. The figures exclude spending at car dealers, gasoline stations and restaurants and aren't adjusted for inflation.

Lauren Pote, a 47-year-old clinical psychologist, said she is being more selective in what she is buying this year, because everything costs more.

"It may take me a bit longer to buy gifts this year, because I'm really hunting for the sales," said Ms. Pote.

—Suzanne Kapner, Adolfo Flores and Sharon Terlep contributed to this article.

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Casinos' Macau Licenses Renewed

By Elaine Yu
And Katherine Sayre

HONG KONG—Six casino operators in Macau won provisional licenses to continue operating in the Chinese gambling hub for the next 10 years, the local government said, while rejecting a bid from an outsider to enter the market.

The winning companies include affiliates of three American casino giants, **Las Vegas Sands** Corp., **MGM Resorts International** and **Wynn Resorts** Ltd. The licenses of three local rivals were also renewed. They are held by **Galaxy Entertainment Group**, **SJM Holdings** Ltd. and **Melco Resorts & Entertainment** Ltd.

The 10-year licenses begin in January under a new gambling law that imposes more government oversight over casino operations in Macau.

The companies' plans have met the Macau government's requirements, including ensuring local employment, attracting foreign tourists and expanding their nongambling offerings, Cheong Weng Chon, the city's secretary for administration and justice, said.

The casino market has become a source of revenue for the American companies over the past 20 years, despite seeing revenues decline amid China's strict zero-Covid policies over the past few years.

In September, a company affiliated with Malaysia-based **Genting Group** made a last-minute surprise bid for one of the six licenses, bringing the number of competitors to seven. In the end, the government maintained the status quo.

Mainland visitors to Macau in the first half of this year fell 78% from the same period in 2019, while gross gambling revenue fell 82%, government figures show.

Restaurants, Groceries Compete

Supermarkets promote prepared foods as Wendy's, Papa John's offer discounts

By Heather Haddon
And Jaewon Kang

Shoppers crowded a Chicago supermarket last week ahead of the Thanksgiving holiday.
JIM VONDRUSKA/REUTERS

Restaurants and supermarkets are ramping up competition for Americans' mealtimes, as consumers gird for a souring economy while food bills continue to rise.

Many restaurants are promoting deals they said are aimed at giving consumers more value for their dollars, while raising menu prices. Supermarkets are stocking more low-price staples and offering specials on prepared food that companies said are targeted toward shoppers who are rethinking how many times they eat out each week.

Eating at home generally remains cheaper than dining out, with the typical restaurant meal costing 3.4 times as much as meals made using groceries, according to market research firm NPD Group. Inflationary forces that this year have driven up the cost of food, fuel and other necessities have pushed up price tags on grocery-store shelves at a faster clip than those on restaurant menus.

Restaurant operators have highlighted the shift to argue that they can provide consumers better value as budgets tighten. At **Wendy's** Co., the second-biggest U.S. burger chain by sales, Chief Executive Todd Penegor said he is closely watching numbers tracking U.S. food spending at supermarkets and restaurants and hopes to keep customers coming to Wendy's with its $5 "Biggie Bag" bundle of food and a $4 option for four items.

"It really gets down to who has their back, who earns their loyalty today to drive that frequency tomorrow," Mr. Penegor said. "That's the game we're trying to play today."

Some grocers said their industry gained an advantage over restaurants during the Covid-19 pandemic when Americans had to cook more meals for themselves, and the supermarkets aim to ensure consumers keep up the habit as the economy shows signs of slowing. New York-based **Tops Markets** LLC, which operates about 150 stores, is rolling out more digital coupons and continues to offer fuel rewards aimed to help shoppers save money, said Kristen Hanson, who oversees merchandising at the chain.

"What we are hearing is that consumers are rethinking their nights out," Ms. Hanson said. Tops's shoppers, she said, these days are eating out or getting takeout one or two nights a week compared with their typical three.

Both restaurants and supermarkets have raised prices this year, though grocery stores have logged bigger increases, federal data shows.

Grocery prices were up 12.4% on an annual basis in October, the eighth straight month of double-digit percentage increases recorded at supermarkets, according to the Labor Department. Year-over-year restaurant prices were up 8.6% in October, the federal agency said. The inflationary gap between restaurants and grocers peaked in July and August but is starting to narrow, an analysis of federal data shows.

Restaurants' price increases are wearing on diners, consumer surveys showed. A September survey of 793 Americans by industry consulting firm Revenue Management Solutions found 51% of respondents reported spending more on restaurants this year, and 70% blamed higher menu prices as the reason, while 40% said eateries weren't offering good value for the cost.

Helen Stanley, a retiree from Houston, said she and her husband cook at home around 80% of the time and eat out a few times a week. Higher prices at restaurants have led them to cut back on fine dining, she said. "Eating out is very expensive, even hamburgers. I don't know how families do it," Ms. Stanley said.

Grocers said they are promoting prepared food as an affordable alternative to eating out, while trying to keep prices low on staples including bread and cereal. Executives said consumers are continuing to buy more store brands for everyday-type items and some are buying fewer amounts of higher-priced products like seafood.

Tony Sarsam, chief executive of food distributor and retailer **SpartanNash** Co., said the operator of Family Fare and Martin's Super Markets chains is promoting prepared bakery and deli items for shoppers seeking convenience and indulgence.

> **12.4%**
> Amount grocery prices rose in October, on an annual basis.

Kellogg Co. CEO Steve Cahillane said that as prices rise, consumers remain more likely to cut back on dining out and other discretionary spending. Despite food companies raising their own prices, a bowl of cereal still costs less than $1 to make at home, he said.

Some restaurant consultants said they have told chain operators that they need to slow down on price increases. Trips to restaurants are falling, with year-over-year transaction growth at comparable restaurants down for the past eight months through October, restaurant analytics firm Black Box Intelligence said.

Restaurant advisers told an industry conference earlier this month that eateries need to offer more to diners if they expect to keep customers coming while bumping up prices.

"Prices increasing and traffic coming down is the jaws of death," said Fred LeFranc, a restaurant consultant and industry executive, during the Restaurant Finance and Development Conference.

Some major restaurant companies told investors this month that they plan to keep increasing prices next year as they project labor, food and ingredient costs to rise further. They are also advertising promotions to attract more bargain seekers, chain executives have said.

Papa John's International Inc. in September began offering a menu of items for $6.99 each when customers bought at least two. The chain typically has avoided nationally advertised discounts but told investors this month that the promotion helped attract deal-oriented consumers.

Burger King owner **Restaurant Brands International** Inc. is monitoring how its prices stack up against those of grocers and other competitors, CEO José Cil said, while trying to make sure its franchisees can make money without discounting items too much. Burger King is promoting a $7 meal with a new chicken sandwich, while Popeyes Louisiana Kitchen, another RBI chain, is keeping a $6 meal of fried chicken, sides and a biscuit in rotation to help attract guests on a budget, executives said.

"Consumer expectations aren't lower in tough times," Mr. Cil said.

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Swift Concert Mess Brings Scrutiny to Ticketmaster

Lawmakers suggest undoing its Live Nation merger, but experts doubt it's a solution

By Anne Steele

TERRY WYATT/GETTY IMAGES

Presales for Taylor Swift's tour were hampered by system glitches that left many fans empty-handed.

Ticketmaster's Taylor Swift tour fiasco last week renewed calls to investigate the 12-year-old merger that joined the world's largest live event promoter with the dominant ticketing company. But some legal experts are skeptical that dismantling the behemoth would address the problems raised by officials and fans.

Lawmakers and attorneys general have lined up to hold **Live Nation Entertainment** Inc. and its Ticketmaster unit accountable for a botched ticket sale process for Ms. Swift's first concert tour in five years, blaming the website's failure and high fees on a lack of competition.

This week Sens. Richard Blumenthal (D., Conn.), Amy Klobuchar (D., Minn.), and Ed Markey (D., Mass.) urged the Justice Department to consider actions including the breakup of Ticketmaster and Live Nation if misconduct is found. "This may be the only way to truly protect consumers, artists, and venue operators and to restore competition in the ticketing market," they wrote in a letter.

The Justice Department is investigating Live Nation over whether the company has violated antitrust laws, a probe that predates the glitches during Ms. Swift's recent ticket sales, according to people familiar with the matter.

Live Nation said it didn't engage in behavior that warranted litigation or an order to change its business practices.

Ms. Klobuchar said the Senate antitrust panel she leads will hold a hearing on competition in the ticketing industry. She said she wants to know how consolidation in live events has harmed customers and artists. The committee said it would later announce a date for the hearing.

Ms. Klobuchar and other politicians said a lack of competition has discouraged Ticketmaster from making the customer experience better. Breaking up the companies, some government officials and industry veterans said, would force competition on prices and product.

Some legal experts said they doubt unwinding the merger would serve as an effective solution.

"Ticketmaster would still likely retain substantial market share in the primary ticketing marketplace," says former Justice Department prosecutor Philip A. Giordano, who served on the DOJ team that reviewed the Live Nation-Ticketmaster merger in 2010 and now heads the antitrust practice at law firm Hughes Hubbard & Reed.

Live Nation promotes a range of events including concert tours and festivals, owns and operates some venues, and has an artist management division. Ticketmaster sells tickets to live events including concerts and sports on behalf of venues. They sometimes will be employed to work on the same events but not always.

Typically, the artist and the promoter set the prices and choose the venues a tour will go through, but they aren't able to decide who sells tickets to the shows. Rather, venues have exclusive ticketing contracts with companies like Ticketmaster, which pioneered such agreements decades ago and holds the most. When a touring act of Ms. Swift's stature hits the road—even with a competing promoter—she mainly plays stadiums whose ticketing inventory Ticketmaster controls.

Live Nation and Ticketmaster were allowed to combine in 2010, but under an agreement with the Justice Department, known as a consent decree, that included conditions intended to help preserve competition in the live-events industry.

The consent decree was originally set to expire in 2020 but was extended to 2025 after a 2019 settlement to resolve an investigation into five incidents of potential misconduct. At the time Live Nation said it was compliant with the consent decree, which bars the company from requiring venues to use Ticketmaster.

Provisions of the extended agreement make it easier for the government to investigate and punish Live Nation for violations, the Justice Department said at the time.

Presales for Ms. Swift's Eras Tour were hampered by glitches in Ticketmaster's systems that kept fans waiting for hours in virtual queues before turning up empty-handed or finding tickets at prices that had skyrocketed. Ticketmaster has pointed to historically unprecedented demand for the tickets and said it is working to improve its technology.

Mr. Giordano said any effort to break up the company would face hurdles, including unwinding more than a decade of integration between Live Nation and Ticketmaster.

Musk Champions Feature on Twitter That Corrects Him

By Meghan Bobrowsky

As Elon Musk works to reshape **Twitter** Inc. and realize his vision for a platform more focused on free speech, one feature is gaining prominence: Community Notes.

Previously called Birdwatch, the feature is designed to combat false and misleading information by relying on crowdsourced contributions to add context to tweets. Mr. Musk has publicly supported the feature, which has fact-checked his own tweeting. It predates his takeover of Twitter late last month.

The new owner of the social-media platform has said he wants Twitter to be a free-speech zone but also a trusted source. "Twitter needs to become by far the most accurate source of information about the world," Mr. Musk tweeted Nov. 6. "That's our mission."

Mr. Musk later tweeted: "When @CommunityNotes rolls out worldwide, it will have a powerful impact on falsehoods."

Community Notes, after undergoing testing for more than a year, expanded to all users in the U.S. in early October.

The information that surfaces through the notes is submitted by volunteers in a way similar to how Wikipedia works. Anyone can sign up to contribute to Community Notes as long as a verified phone number from a trusted U.S.-based phone carrier and proof of joining Twitter more than six months ago are provided. There can't be any recent violations of Twitter rules.

Contributors can suggest a note on any tweet they think needs context, and a tweet can receive more than one. Before a note becomes public, other contributors are asked to rate it by answering the question "Is this note helpful?" with either "yes," "no" or "somewhat."

To help avoid misuse of the system, each note is run through an algorithm that is maintained by Twitter, comparing it with other notes that are ranked as helpful by users with different points of view. "Notes need to be found helpful by people who have tended to disagree in their past ratings," according to a blog post on Twitter's website.

The notes that pass the algorithm are appended to tweets with a disclaimer that says: "Readers added context they thought people might want to know."

Since its expansion almost two months ago, Community Notes has added context to a plethora of tweets, including ones from the White House, Jimmy Fallon, The Wall Street Journal and Mr. Musk himself.

When Mr. Musk took over the platform, questions swirled among participants, with some using group chats to communicate with each other, about whether they should add notes to the new owner's tweets if warranted, said Alec Palm, a frequent Community Notes contributor.

Community Notes expanded to all users in the U.S. in early October.

"We all resoundingly decided yes, because Community Notes was built on the ideals that anyone can be fact-checked at any time," said Mr. Palm, a 20-year-old college student.

Mr. Musk tweeted a quote on Monday that he attributed to "Dune," the science-fiction epic by Frank Herbert: "Fanaticism is always a function of repressed doubt." A note was added underneath: "This is not a quote from the book 'Dune' but from the psychologist Carl Jung."

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BUSINESS & FINANCE

Audit Overseer Invests in Tech Startups

Some industry insiders warn of conflicts of interest at watchdog AICPA

BY JEAN EAGLESHAM

An accounting trade body has invested in audit-related tech startups, while setting auditing standards and overseeing millions of audits—prompting concerns within the industry of potential conflicts of interest.

The American Institute of Certified Public Accountants says its "shark-tank style startup accelerator," illustrated on its website by a skateboarding man in a suit, is designed to foster innovation.

Selected companies get a $25,000 grant, mentoring on product development, and a showcase at AICPA events, according to its website. The trade body has invested in many of the startups, according to a person familiar with the matter.

The venture-capital style initiative is sparking concern from industry insiders about potential conflicts of interest. The AICPA oversees the accounting industry's self-policing of financial audits of private companies, pension funds and other entities that hold in total billions of dollars in assets. "The AICPA should be a bell cow for the American accounting profession," said Michael Shaub, an accounting professor at Texas A&M University. "Instead of focusing on what we need as a profession, they have leveraged the name to create revenue streams."

An AICPA spokesman said the trade body invested in technology to help ensure its members have the right tools to perform their professional obligations. "We segregate this activity from our standard setting, peer review and other work in the public interest," he said.

The trade body's accelerator has backed more than 20 tech startups since its 2017 launch, according to its website.

Several offer products that compete with services developed in-house by the big accounting firms for clients, such as climate reporting tools, according to the trade body's website.

Other startups backed by the trade body aim to automate elements of audits that it oversees, such as reconciliations of bank transactions. At least one company uses the cachet of the trade body's investment to help sell its product. "Is there a clearer indication that a tool will be accepted and widely used than the support and backing of the [audit profession's] governing body?" **ByteChek** Inc. said in a blog post. The Miami-based startup—whose slogan is "make compliance suck less"—sells software for a type of cybersecurity audit, known as a Systems and Organization Controls 2 report. These reports, governed by the trade body's standards, have to be signed off by a certified public accountant.

ByteChek said in a blog post that auditors can "rest assured" using its tool, knowing it "will be working directly with the AICPA." The post was taken down after The Wall Street Journal asked ByteChek and the AICPA for comment.

One firm that does information-technology audits, Denver-based **Linford & Co.** LLP, said ByteChek offered to share revenue from clients who used its software to help create a report for auditing. The accounting firm said it couldn't do this because of the requirement for auditors to be independent in both fact and appearance, according to managing partner Newel Linford.

He said that ByteChek replied that the AICPA had signed off on its business model and was one of its investors. "In my professional opinion, this is shocking and nearly beyond belief," Mr. Linford said.

ByteChek didn't respond to requests for comment. The AICPA spokesman said ByteChek was "warned its marketplace activities were misrepresenting" its relationship with the trade body. After "failing to comply with this feedback," ByteChek was removed from a list of accelerator-backed companies on the trade body's website, the spokesman said.

The AICPA spokesman said that sometimes a company backed by the accelerator "might push the envelope" on what that support means. "When we find out about that we manage it," he added.

The accelerator is run by CPA.com, the commercial arm of the not-for-profit AICPA. It

'The AICPA should be a bell cow for the American accounting profession.'

sells the trade body's members everything from educational materials to software for managing expenses. These program services generate tens of millions of dollars in revenue for the trade body each year, according to public filings. "Any profits we make are reinvested to benefit the profession and its work to serve the public interest," a spokesman for the trade body said.

One of the AICPA's most recent commercial moves is to license its guidance and other materials for the information-technology audits.

The trade body launched the licensing program because of concerns some software providers were playing down the role of accountants in the reports, which have to be signed off on by an auditor, according to its spokesman. "We've been policing our copyrights in this area and the licensing program is one aspect of that," he said. He declined to disclose the licensing fees charged.

Based in Arlington, Va., tech company **Ostendio** Inc. last month said it was the first software-as-a-service platform selected under the new licensing program.

"Ostendio was chosen as the first licensed partner because we already operate within AICPA's ethical parameters," Ostendio's chief executive, Grant Elliott, said in a news release on its website. The release was revised, cutting out that quote, after the Journal asked the AICPA for comment.

The AICPA spokesman said the language originally used by Ostendio "mischaracterized its relationship" with the trade body. "They are a licensee of our content...not a business partner," he added.

Mr. Elliott, the Ostendio CEO, said his company had "worked enthusiastically and constructively" with the AICPA to gain its license agreement. The original press release was reviewed by the AICPA before being issued, Mr. Elliott said.

JUSTIN SULLIVAN/GETTY IMAGES

Dollar General is among companies reporting earnings this week.

Earnings Pressure Stocks

Continued from page B1

rent-quarter earnings estimates for S&P 500 companies, now projecting the first annualized quarterly earnings decline since 2020. Analysts at the end of June saw profit growing by roughly 9% in the fourth quarter. They see a contraction of around 2% as of Friday, FactSet figures show.

Analysts still paint a rosy picture going forward, with consensus forecasts calling for more than 5% annualized earnings growth for calendar year 2023. But many investors anticipate further downward revisions as a potential recession looms and the Fed's rate increases make their way to companies' bottom lines.

"My view is that estimates are significantly too high going into 2023," said Benjamin Kirby, co-head of investments and portfolio manager at Thornburg Investment Management. "There's a lag of when that tighter monetary policy finds its way into actual company earnings."

Mr. Kirby said he believes the U.S. economy will enter a recession next year and said his firm is overall positioning portfolios defensively by holding some cash and shares of companies with lower valuation multiples. He likes the telecommunications sector, saying its companies should continue generating revenue in an economic slowdown.

Stocks look cheaper than they did for much of the last two years, but valuations are on the rise again as the market rallies. Companies in the S&P 500 are trading at more than 17 times their projected earnings over the next 12 months, according to FactSet. That is down from more than 21 times at the beginning of 2022 but up from around 15 at its lows of the year and slightly ahead of its 10-year average.

For investors who believe earnings estimates have more room to fall in 2023, stocks look even pricier on a forward-looking basis.

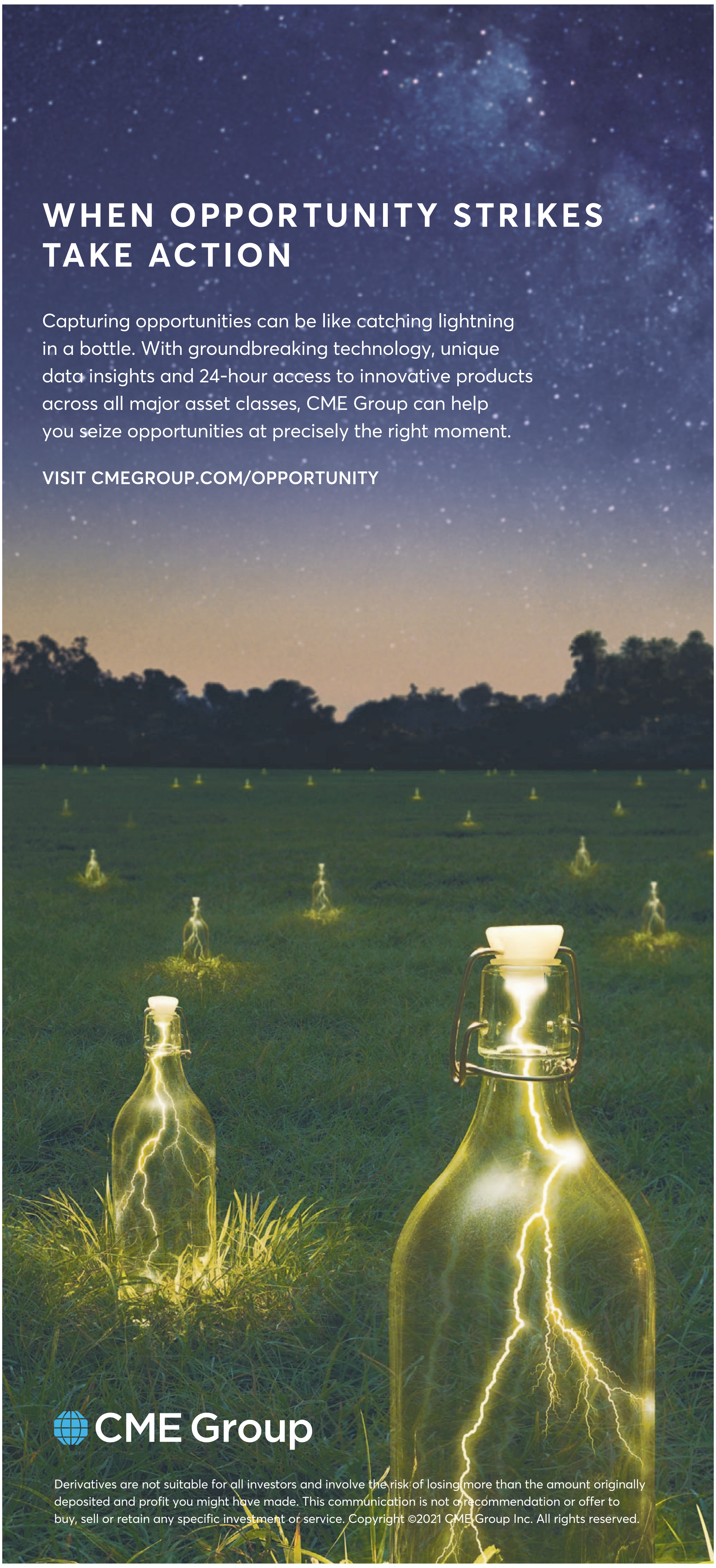
"If earnings are revised downward, we're expecting a downward move in the S&P 500," said Anna Rathbun, chief investment officer at CBIZ Investment Advisory Services, who thinks 2023 earnings estimates are too optimistic. "Stocks are still expensive because the optimism premium is built into the estimates going out four quarters."

Ms. Rathbun said her firm remains cautious on segments of the market it believes are most affected by the Fed's rate increases, such as technology, consumer-discretionary and communication-services stocks.

Other investors say they believe corporate profits could hold up better than feared next year. David Waddell, chief executive and chief investment strategist at Waddell & Associates, said he thinks earnings could contract in the first half of 2023 but grow in the second half as companies cut costs.

"I'm betting on corporate management figuring out how to get through this muddy period," he said. "And you never want to bet against the U.S. consumer."

As investors monitor how consumer spending and corporate results hold up in the tough business environment, the holiday shopping season poses a key test. Holiday retail sales are slated to grow but at a slower pace than last year, according to retail industry groups and industry consultants, citing consumer strain from higher prices. Retail giants like Target Corp. have warned of a soft holiday season and cut forecasts.



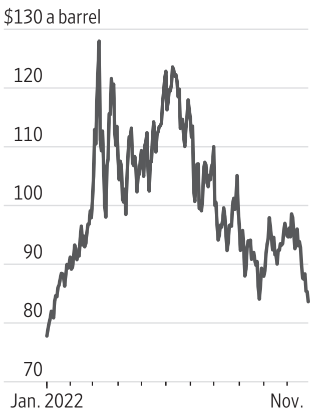
BUSINESS & FINANCE

Russian Sanctions, OPEC Decision Weigh on Oil Prices

Traders say the shifting economic backdrop adds to policy uncertainty

BY JOE WALLACE AND ANNA HIRTENSTEIN

Brent crude-oil futures price, front-month contract



Source: FactSet

YEGOR ALEYEV/TASS/ZUMA PRESS

The EU is expected to ban most crude imports from Russia Dec. 5.

OPEC and its allies are due to make a big call on oil production next week, a day before expanded sanctions are set to strike Russia's energy industry.

The potential impact of these moves is helping shroud the oil market in uncertainty as coronavirus outbreaks hammer demand in China.

Brent-crude futures have risen or fallen at least 1% on all but three trading days in November, while sliding 12% over the course of the month to $83.63 a barrel. The oil benchmark traded in a range of more than $5.50 a barrel on one day last week after The Wall Street Journal said that the Organization of the Petroleum Exporting Countries and its partners had discussed an increase in output, a report denied by Saudi Arabia.

COMMODITIES

"All of these things are so significant to the oil markets that they could whip prices from one direction to the other very significantly," said Michael Haigh, head of commodities research at Société Générale.

The European Union is expected to ban most crude imports from Russia on Dec. 5. In tandem, the U.S., EU and some of their allies are due to ban shipping, trading, insuring and funding Russian crude anywhere in the world unless the price is at or below a cap.

From Feb. 5, the same sanctions will hit Russian refined products, a move that traders say poses a bigger threat to Moscow's oil industry and a greater challenge for Europe.

Mr. Haigh expects Russia will struggle to divert all the oil that the EU bans, leading to a drop in daily production of 1.5 million barrels in 2023. That will contribute to a jump in global oil prices next year if Chinese demand bounces back, he added.

Russia has said it would refuse to abide by the cap, and its response is another wild card.

"We are proceeding for the time being from the position of President Putin that we will not supply oil and gas to those states that introduce and join the cap," Kremlin spokesman Dmitry Peskov said Thursday. He left wiggle room, though, adding that Moscow would formulate a position after analyzing the situation.

The U.S. and its allies have struggled in recent days to determine the cap, which Washington designed as a loophole to stop European sanctions on insurance from slamming Russian exports.

Poland wants a low cap to punish Russia's economy, pitching it against Greece, Malta and other EU members with big shipping fleets that are pushing for around $70 a barrel.

If the cap is set at a low level, the chances of Russia retaliating with output cuts increase. That could even boost Russian revenue by raising prices. But if the cap is high, it could fail to curb Moscow's oil revenue.

Analysts said the $65-to-$70-a-barrel range under discussion at the EU risked being toothless because it is above where Russia's mainstay Urals grade of crude is trading.

"If the price cap is $65, it will have no effect at all on the Russian budget," said Mikhail Krutikhin, partner at consulting firm RusEnergy.

The Treasury Department, which led efforts to craft the cap, has said the West might lower the level over time. U.S. officials say they are happy for Moscow to sell to nonsanctioning nations above the cap, arguing that refiners in those countries will gain bargaining power over Russia because of the Western sanctions.

That leniency reflects a key aim of the price-cap alliance: to limit energy prices by ensuring as much Russian oil as possible remains on the global market.

In one attempt to avoid snarling Russian exports, the EU watered down a plan to blacklist vessels that violate the cap.

Such vessels will be barred from EU services, including insurance, for 90 days. U.S. and British officials feared the bloc's earlier plan for a perpetual ban would lead to a bigger drop in Russian exports than they intended.

Even so, uncertainty over the level of the cap and how Russia will respond has rattled traders and contributed to the recent volatility.

It has also started to hinder Russia's ability to find buyers. In one early sign of the challenge

Moscow faces, Urals crude has fallen to a discount of about $28 a barrel in northwest Europe compared with Brent, according to S&P Global Commodity Insights.

Analysts at the data company said weakening demand for oil in general, combined with shipping and insurance complications ahead of the sanctions, pushed Russia to lower prices to attract Asian buyers.

Moscow is also competing with rising shipments of sanctioned Iranian oil for business with independent Chinese refiners, said Kpler analyst Homayoun Falakshahi.

Potash Issue Dogs Exxon

Continued from page B1

But more than one-quarter of Exxon's best acreage in New Mexico coincides with underground potash mines, according to oil analytics firm FLOW Partners LLC. Due to regulations, higher drilling costs and safety concerns for underground miners, wells in that area are more expensive to complete and less productive, said people familiar with Exxon's operations, industry executives and analysts.

Exxon's efforts there will yield less oil and gas, and ultimately less profit, than other areas of the Permian, according to the people. The company hasn't disclosed to investors that the land it bought in the potash area could be affected by these issues because it doesn't consider it material, said Exxon spokeswoman Meghan Macdonald.

Ms. Macdonald said Exxon can produce from virtually any location, despite the potential challenges. Exxon hasn't strayed from drilling plans around the potash area, and the challenges haven't affected the company's broader Permian plans. "There's nothing to disclose," she said.

Exxon knew some of its drilling efforts would entail maneuvering around active mines when it acquired the land, and believed its engineering skills could address operational issues, according to the people familiar with its operations. But a confluence of challenges have made drilling there more difficult than Exxon expected, the people said.

In October 2018, Exxon subsidiary XTO Energy Inc. experienced a coupling failure on the steel casing of one of its wells near a mine during a fracking operation, according to interviews and emails reviewed by The Wall Street Journal. Pressure released by the coupling failure pushed fluid and natural gas well past buffer zones meant to protect the potash mines and ended up blasting a crater out of a nearby exploratory hole from the 1970s.

Several workers were evacuated from a nearby mine following a call from Exxon. No injuries were reported, but the incident has prompted calls from the region's largest mining company, **Intrepid Potash** Inc., for stricter regulations on oil operations.

Ms. Macdonald said oil and gas have been safely co-developed alongside potash for decades and that Exxon and other companies are safely producing oil in potash areas.

Exxon has nearly 1,200 drilling locations in the potash area, according to FLOW Partners. The wells Exxon has drilled in the potash area are about 5% to 10% less productive than its wells outside of that area, to investment firm Pickering Energy Partners.

Those wells lag behind in part because drilling near mines requires companies to operate from drilling islands, packing wells tightly together from a single site and then drilling sideways to reach underneath the mines.

PAUL RATJE/AGENCE FRANCE-PRESSE/GETTY IMAGES

Pump jacks operate in New Mexico, in the Permian Basin.

American Natural-Gas Pioneer Struggles in His Second Act

BY BENOÎT MORENNE AND COLLIN EATON

Charif Souki has played a starring role in transforming America into an energy powerhouse, but his second attempt at exporting natural gas is floundering.

Mr. Souki's new firm, **Tellurian** Inc., is struggling to line up financing to build a large export plant for liquefied natural gas on the Gulf of Mexico despite soaring demand for cargoes of the fuel this year.

After six years and $1 billion invested, the project remains stalled, while newer competitors have taken off, denting Mr. Souki's reputation as an industry visionary and testing the limits of global appetite for locking in long-term investments in LNG.

Mr. Souki founded the first exporter of LNG in the contiguous U.S., **Cheniere Energy** Inc., and is a ubiquitous presence at global energy summits, evangelizing the benefits of U.S. natural gas. After Russia's invasion of Ukraine, Tellurian was one of a dozen U.S. LNG companies sounding optimistic notes that Europe's rush to replace Russian gas would help carry their projects over the finish line.

Tellurian had four export deals with customers, shovels in the ground on the Gulf Coast, and producing gas wells in Louisiana. Then, in the span of a few days in September, the company was dealt a series of blows. It withdrew a more-than-$1 billion debt offering, terminated three contracts with **Shell** PLC and trading house **Vitol** and said it would overhaul its financing model. The company's share price is down about 15% this year, while Cheniere's was up around 71% as of Friday.

Mr. Souki was ousted from his job as Cheniere's chief in 2015 after activist investors, including Carl Icahn, raised concerns about his pay and other executive practices.

Tellurian's primary problem is that it hasn't sold lenders on its business model, say former employees and analysts. That has prevented it from lining up billions of dollars in financing it needs to build a liquefaction plant, which converts natural gas into a liquid for export.

Mr. Souki, who is Tellurian's executive chairman, said that "nothing has changed" and that he was confident Tellurian would see its export project through. Still, he said, the company isn't ruling out any options, including a sale. "[If] somebody is really interested in this, they know my phone number," he said.

Tellurian's business model differs from its competitors. The company said it would source domestic gas at low cost and sell it under 10-year agreements pegged to international indexes, capturing the price difference and allowing it to secure a comfortable margin.

This proposition was a hard sell for lenders who are used to financing LNG projects that derive revenue from fixed liquefaction fees and who worry about international price volatility, former employees and analysts said.

To ensure access to cheap gas, Tellurian said it would become an integrated company that produces gas, transports it to an export plant, liquefies it and sells it to off-takers. Achieving this would require billions of dollars more in investments than a traditional export project, analysts said.

Despite current elevated demand for LNG, longer-term trends are working against the industry. Since the war in Ukraine began, only two U.S. companies, Cheniere and **Venture Global LNG** Inc., have publicly approved liquefaction plants. Project lenders typically require that developers sign 15- to 20-year contracts with off-takers, but some potential customers are wary of long-term deals because of countries' commitments to cut carbon emissions.

Despite these challenges, Mr. Souki said this year that Tellurian was on track to export its first cargo in 2026. In the spring, the company asked contractor Bechtel Energy Inc. to begin construction of the $13.8 billion first phase of the project, called Driftwood. Although Tellurian hadn't received any financing yet, Mr. Souki said at the time the global thirst for LNG would win bankers over.

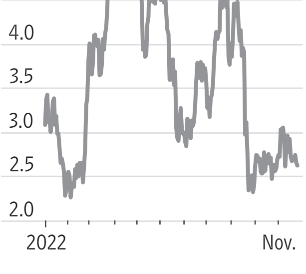
But the loans failed to materialize and Tellurian's plans quickly unraveled. In mid-September, Entami Corp., a family office invested in Tellurian, sent a letter to the board criticizing the company's management and calling for a sale of Tellurian.

A few days later, Tellurian withdrew a public offering for debt after its 11.25% yield failed to attract investors. It received a notice of termination from Shell for two supply deals and terminated its agreement with Vitol. It still has one contract remaining on its books, with trader **Gunvor Group** Ltd.

At the time, Tellurian said that canceling the deals would provide it flexibility as it pursued equity investors. Vitol didn't respond to a request for comment.

A Shell spokeswoman said the company couldn't comment on details of the termination for reasons of confidentiality. A spokesman for Gunvor declined to comment.

Tellurian Inc. Share Price



Source: FactSet

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NOTICE OF SALE

NOTICE OF SALE
SUPREME COURT OF THE STATE OF NEW YORK: COUNTY OF NEW YORK
Index No. 654177/2015

KENNETH ROSENBLUM, Plaintiff v. CRAIG TREITLER and STEVEN ROSENBLUM, Preliminary Executors for the Estate of BERNICE ROSENBLUM, Defendants.

Pursuant to the Interlocutory Order and Judgment of the Hon. Melissa A. Crane, J.S.C. entered on July 8, 2022 in the Supreme Court, State of New York, County of New York, the undersigned Referee will sell at public auction on December 6 and December 7, 2022, in the lobby/rotunda of the New York County Supreme Courthouse, 60 Centre Street, New York, New York or such other place in said Courthouse as may be posted on the date of sale, six parcels as follows:

Parcel 1: 117 Waverly Place: In the Borough of Manhattan, City, County, and State of New York, Block 553, Lot 38. Time of Sale: 9:30 a.m., December 6, 2022.
Parcel 2: 99 Perry Street: In the Borough of Manhattan, City, County, and State of New York, Block 622, Lot 27. Time of Sale: 12:30 p.m., December 6, 2022.
Parcel 3: 42-44 Bank Street: In the Borough of Manhattan, City, County, and State of New York, Block 614, Lot 10. Time of Sale: 2:30 p.m., December 6, 2022.
Parcel 4: 71 Thompson Street: In the Borough of Manhattan, City, County, and State of New York, Block 489, Lot 31. Time of Sale: 9:30 a.m., December 7, 2022.
Parcel 5: 25 Thompson Street: In the Borough of Manhattan, City, County, and State of New York, Block 476, Lot 42. Time of Sale: 12:30 p.m., December 7, 2022.
Parcel 6: 98-100 Thompson Street: In the Borough of Manhattan, City, County, and State of New York, Block 502, Lot 6. Time of Sale: 2:30 p.m., December 7, 2022.

Each of the six Parcels will be sold subject to the provisions of the filed Interlocutory Order and Judgment (Docket #582) and the Terms of Sale (Docket #591) incorporated therein as Schedule A, New York County Supreme Court, Index No. 654177/2015. The Interlocutory Order and Judgment and Terms of Sale set forth the terms that will apply to the sale of each property, including the following: "The Property is sold 'AS IS' as of the date of the sale, without any representations either express or implied."

As a precondition to bidding at the auction, prospective bidders must deliver to the Auctioneer, prior to the auction, a Qualifying Deposit of $75,000 in the form of an unconditional bank or certified check, wire transfer, or irrevocable letter of credit payable to the Referee; at the conclusion of the auction, the Qualifying Deposit will be returned to all unsuccessful bidders. Bidders may wire the Qualifying Deposit to the Referee's trust Account. Account information may be obtained by contacting the Auctioneer, Matthew D. Mannion, of Mannion Auctions, LLC, at 212.267.6698 or mdmannion@jpandr.com. The sale price for each parcel shall be payable ten percent (10%) (inclusive of the Qualifying Deposit) at the time of the auction and the balance at Closing of title, which shall be scheduled to occur by the later of 10 days after the entry of the Court's order confirming the sale or the 90th day from the date of the auction.

The parties to the above referenced action reserve the right to bid, and if they elect to do so, need only pay for the portion of the property that said party does not already own. The real property transfer tax shall be payable by the Referee from the proceeds of the sale. The purchaser shall pay the charge for stamps upon the deed, any charge or tax for recording the said deed, and the reasonable charge of the Referee for drawing the deed. Interested bidders should review the Interlocutory Order and Judgment and Terms of Sale for a complete statement of the terms and conditions governing the sale. For further information contact Jonathan Hageman @ (518) 469-2521, representative of the Defendant, and/or Yaakov Blachman @ (929) 384-2628, representative of the Plaintiff. Dated: November 3, 2022HON. ANTHONY J. CARPINELLO (Ret.)

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MARKETS DIGEST

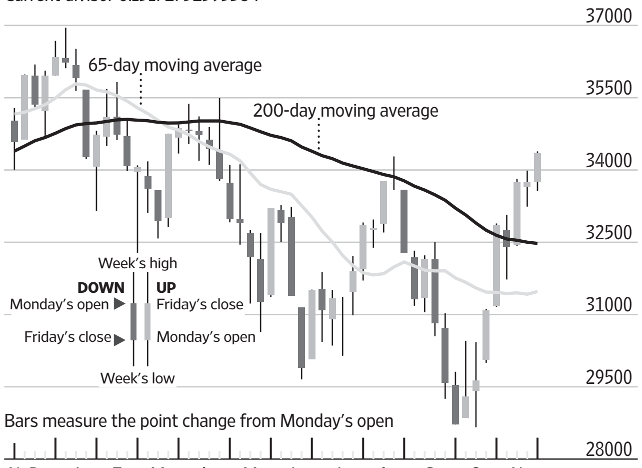
Dow Jones Industrial Average

34347.03 ▲601.34, or 1.78% last week

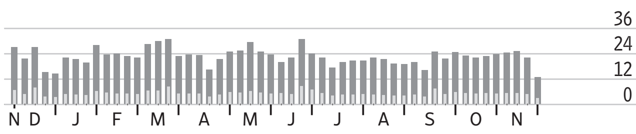
High, low, open and close for each of the past 52 weeks

	Last	Year ago
Trailing P/E ratio	21.35	21.66
P/E estimate *	18.36	18.45
Dividend yield	1.98	1.95
All-time high	36799.65, 01/04/22	

Current divisor 0.15172752595384



NYSE weekly volume, in billions of shares



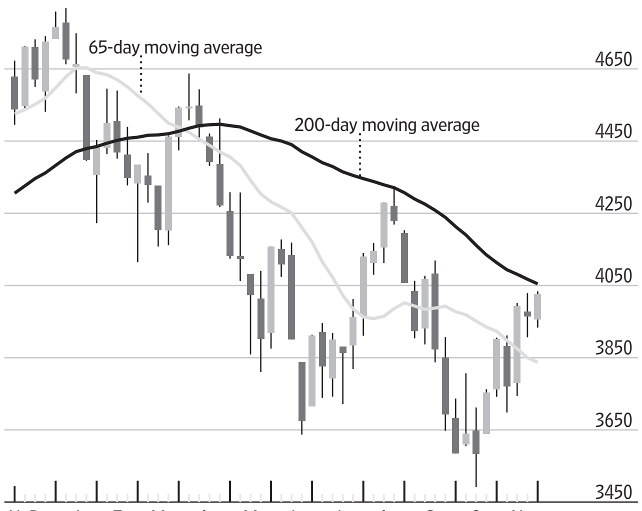
*Weekly P/E data based on as-reported earnings from Birinyi Associates Inc.; †Based on Nasdaq-100 Index

S&P 500 Index

4026.12 ▲60.78, or 1.53% last week

High, low, open and close for each of the past 52 weeks

	Last	Year ago
Trailing P/E ratio *	19.22	28.81
P/E estimate *	17.75	22.45
Dividend yield *	1.68	1.28
All-time high	4796.56, 01/03/22	



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Major U.S. Stock-Market Indexes

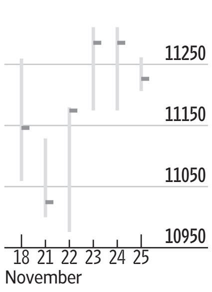
	Latest Week High	Low	Close	Net chg	% chg	52-Week Low	Close (●)	High	% chg	% chg YTD	3-yr. ann.
Dow Jones											
Industrial Average	34386.51	33559.18	**34347.03**	601.34	**1.78**	28725.51		36799.65	**-1.6**	-5.5	**7.0**
Transportation Avg	14492.41	14179.35	**14442.58**	187.78	**1.32**	11999.40		16718.54	**-10.9**	-12.4	**9.7**
Utility Average	974.39	938.32	**972.06**	32.73	**3.48**	838.99		1071.75	**7.2**	-0.9	**4.6**
Total Stock Market	40526.34	39500.75	**40449.27**	601.82	**1.51**	36056.21		48929.18	**-14.5**	-16.8	**8.0**
Barron's 400	982.57	958.31	**979.48**	18.29	**1.90**	825.73		1111.54	**-9.6**	-11.5	**11.1**
Nasdaq Stock Market											
Nasdaq Composite	11310.82	10975.66	**11226.36**	80.29	**0.72**	10321.39		15871.26	**-27.5**	-28.2	**9.2**
Nasdaq-100	11866.42	11503.34	**11756.03**	79.01	**0.68**	10690.60		16567.5	**-26.6**	-28.0	**12.0**
S&P											
500 Index	4034.02	3933.34	**4026.12**	60.78	**1.53**	3577.03		4796.56	**-12.4**	-15.5	**8.7**
MidCap 400	2563.09	2492.71	**2559.56**	48.93	**1.95**	2200.75		2865.54	**-7.9**	-9.9	**8.4**
SmallCap 600	1237.00	1206.30	**1232.44**	14.30	**1.17**	1064.45		1426.13	**-10.5**	-12.1	**7.4**
Other Indexes											
Russell 2000	1873.59	1828.99	**1869.19**	19.46	**1.05**	1649.84		2272.56	**-16.8**	-16.8	**4.8**
NYSE Composite	15625.72	15180.19	**15605.67**	295.91	**1.93**	13472.18		17353.76	**-6.1**	-9.1	**4.9**
Value Line	564.87	549.40	**563.76**	9.01	**1.62**	491.56		680.36	**-14.5**	-16.1	**1.6**
NYSE Arca Biotech	5237.57	5116.19	**5218.18**	33.21	**0.64**	4208.43		5649.54	**-3.3**	-5.4	**1.8**
NYSE Arca Pharma	848.34	826.45	**847.50**	17.99	**2.17**	737.84		887.27	**9.7**	2.4	**10.9**
KBW Bank	108.18	105.52	**107.99**	2.13	**2.01**	94.66		147.56	**-19.9**	-18.3	**-0.6**
PHLX§ Gold/Silver	119.74	111.18	**118.26**	4.46	**3.92**	91.40		167.76	**-9.8**	-10.7	**8.4**
PHLX§ Oil Service	85.99	78.91	**82.94**	-2.069	**-2.43**	49.14		88.37	**60.9**	57.3	**6.2**
PHLX§ Semiconductor	2814.87	2669.35	**2751.27**	27.24	**1.00**	2162.32		4039.51	**-26.8**	-30.3	**16.7**
Cboe Volatility	24.12	20.32	**20.50**	-2.62	-11.33	16.60		36.45	**-28.4**	19.0	**20.0**

§Nasdaq PHLX

Sources: FactSet; Dow Jones Market Data

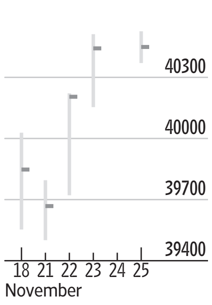
Nasdaq Composite

▲ 80.29, or 0.72% last week



DJ US TSM

▲ 601.82, or 1.51% last week



International Stock Indexes

Region/Country	Index	Latest Week Close	% chg	52-Week Range Low	Close	High	YTD % chg
World	**MSCI ACWI**	625.15	**1.48**	550.37		758.43	−17.2
	MSCI ACWI ex-USA	283.23	**1.46**	244.35		349.52	−17.7
	MSCI World	2703.67	**1.68**	2367.69		3248.12	−16.3
	MSCI Emerging Markets	941.01	**−0.21**	842.76		1267.34	−23.6
Americas	**MSCI AC Americas**	1529.88	**1.49**	1363.36		1836.68	−16.3
Canada	**S&P/TSX Comp**	20383.77	**2.02**	18206.28		22087.22	−4.0
Latin Amer.	**MSCI EM Latin America**	2159.55	**−0.69**	1912.59		2761.97	1.4
Brazil	**BOVESPA**	108976.70	**0.10**	96120.85		121570.15	4.0
Chile	**S&P IPSA**	3206.55	**1.01**	2667.44		3546.47	14.3
Mexico	**S&P/BMV IPC**	51668.64	**0.19**	44626.80		56609.54	−3.0
EMEA	**STOXX Europe 600**	440.73	**1.71**	382.89		494.35	−9.6
	STOXX Europe 50	3769.06	**1.66**	3310.09		3866.60	−1.3
Eurozone	**Euro STOXX**	426.52	**1.17**	359.45		487.38	−10.9
	Euro STOXX 50	3962.41	**0.96**	3279.04		4392.15	−7.8
Austria	**ATX**	3267.27	**1.30**	2647.43		4057.59	−15.4
Belgium	**Bel-20**	3707.95	**1.53**	3313.82		4362.21	−14.0
France	**CAC 40**	6712.48	**1.02**	5676.87		7376.37	−6.2
Germany	**DAX**	14541.38	**0.76**	11975.55		16271.75	−8.5
Greece	**Athex Composite**	917.64	**3.12**	779.20		971.09	2.7
Israel	**Tel Aviv**	1879.21	**−0.31**	1775.89		2071.10	−5.0
Italy	**FTSE MIB**	24718.81	**0.18**	20353		28163	−9.6
Netherlands	**AEX**	722.93	**1.46**	630.58		805.78	−9.4
Portugal	**PSI 20**	5877.95	**1.94**	5190.28		6349.21	5.5
Russia	**RTS Index**	1141.07	**−0.52**	742.91		1690.13	−28.5
South Africa	**FTSE/JSE All-Share**	73151.38	**0.79**	63263.94		77536.12	−0.8
Spain	**IBEX 35**	8416.60	**3.55**	7261.1		8933.6	−3.4
Sweden	**OMX Stockholm**	813.29	**1.80**	690.07		1045.27	−21.6
Switzerland	**Swiss Market**	11168.03	**1.11**	10072.62		12970.53	−13.3
U.K.	**FTSE 100**	7486.67	**1.37**	6826.15		7672.40	1.4
Asia-Pacific	**MSCI AC Asia Pacific**	154.14	**0.96**	134.3		196.9	−20.2
Australia	**S&P/ASX 200**	7259.50	**1.51**	6433.4		7592.8	−2.5
China	**Shanghai Composite**	3101.69	**0.14**	2886.43		3681.08	−14.8
Hong Kong	**Hang Seng**	17573.58	**−2.33**	14687.02		24965.55	−24.9
India	**S&P BSE Sensex**	62293.64	**1.02**	51360.42		62293.64	6.9
Japan	**NIKKEI 225**	28283.03	**1.37**	24717.53		29332.16	−1.8
Malaysia	**FTSE Bursa Malaysia KLCI**	1486.54	**2.57**	1373.36		1618.54	−5.2
Singapore	**Straits Times**	3244.55	**−0.85**	2969.95		3445.01	3.9
South Korea	**KOSPI**	2437.86	**−0.27**	2155.49		3029.57	−18.1
Taiwan	**TAIEX**	14778.51	**1.89**	12666.12		18526.35	−18.9

Source: FactSet; Dow Jones Market Data

Commodities and Currencies

	Last Week Close	Net chg	% Chg	YTD % chg
DJ Commodity	**1031.77**	-8.53	**-0.82**	9.04
Refinitiv/CC CRB Index	**273.25**	-3.14	**-1.14**	17.59
Crude oil, $ per barrel	**76.28**	-3.83	**-4.78**	1.42
Natural gas, $/MMBtu	**7.024**	0.721	**11.44**	88.31
Gold, $ per troy oz.	**1753.30**	1.40	**0.08**	-4.06
U.S. Dollar Index	**106.05**	-0.88	**-0.82**	10.51
WSJ Dollar Index	**98.92**	-0.78	**-0.78**	10.46
Euro, per dollar	**0.9616**	-0.007	**-0.71**	9.36
Yen, per dollar	**139.19**	-1.19	**-0.85**	20.93
U.K. pound, in dollars	**1.21**	0.021	**1.73**	-10.60

	52-Week Low	Close (●)	High	% Chg
DJ Commodity	893.10		1264.48	**11.99**
Refinitiv/CC CRB Index	218.39		329.59	**20.52**
Crude oil, $ per barrel	65.57		123.70	**11.93**
Natural gas, $/MMBtu	3.561		9.680	**28.95**
Gold, $ per troy oz.	1623.30		2040.10	**-1.79**
U.S. Dollar Index	94.79		114.10	**10.37**
WSJ Dollar Index	88.95		105.14	**9.80**
Euro, per dollar	0.8730		1.0422	**8.83**
Yen, per dollar	112.78		150.15	**22.78**
U.K. pound, in dollars	1.07		1.37	**-9.33**

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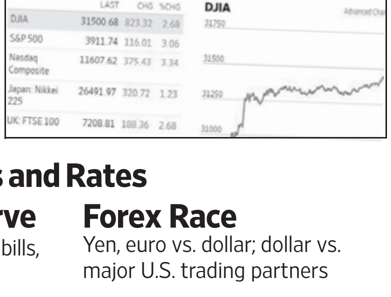
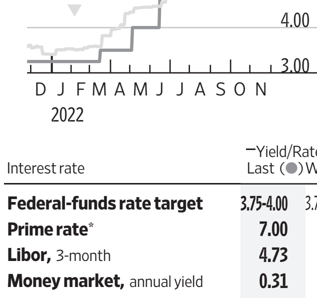


Consumer Rates and Returns to Investor

U.S. consumer rates

A consumer rate against its benchmark over the past year



Selected rates

New car loan

Bankrate.com avg†:	**6.69%**
First Savings Bank of Hegewisch	**3.80%**
Chicago, IL	773-646-4200
Frost Bank	**4.99%**
Houston, TX	800-513-7678
Amegy Bank	**5.39%**
Houston, TX	713-235-8800
Cambridge Savings Bank	**5.49%**
Cambridge, MA	888-418-5626
Colonial Savings, FA	**5.49%**
Garland, TX	972-495-4032

Interest rate	Yield/Rate (%) Last (●)	Week ago	52-Week Range (%) Low	High	3-yr chg (pct pts)
Federal-funds rate target	**3.75-4.00**	3.75-4.00	0.00	4.00	**2.25**
Prime rate*	**7.00**	7.00	3.25	7.00	**2.25**
Libor, 3-month	**4.73**	4.66	0.17	4.76	**2.82**
Money market, annual yield	**0.31**	0.29	0.07	0.31	**-0.26**
Five-year CD, annual yield	**2.56**	2.42	0.41	2.56	**1.14**
30-year mortgage, fixed†	**6.85**	6.92	3.21	7.41	**3.02**
15-year mortgage, fixed†	**6.17**	6.26	2.52	6.53	**2.87**
Jumbo mortgages, $647,200-plus†	**6.87**	6.93	3.21	7.44	**2.66**
Five-year adj mortgage (ARM)†	**5.47**	5.45	2.82	5.60	**1.01**
New-car loan, 48-month	**6.69**	6.58	3.41	6.69	**2.21**

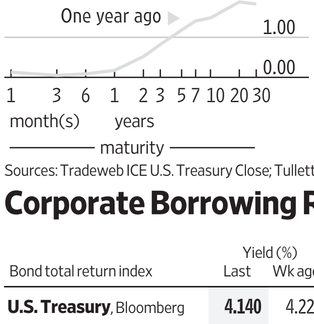
Bankrate.com rates based on survey of over 4,800 online banks. *Base rate posted by 70% of the nation's largest banks.† Excludes closing costs.

Sources: FactSet; Dow Jones Market Data; Bankrate.com

Benchmark Yields and Rates

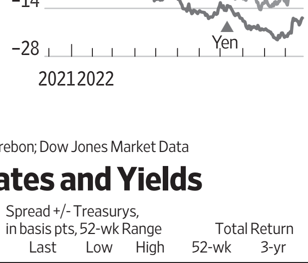
Treasury yield curve

Yield to maturity of current bills, notes and bonds



Forex Race

Yen, euro vs. dollar; dollar vs. major U.S. trading partners



Sources: Tradeweb ICE U.S. Treasury Close; Tullett Prebon; Dow Jones Market Data

Corporate Borrowing Rates and Yields

Bond total return index	Yield (%) Last	Wk ago	Spread +/- Treasurys, in basis pts, 52-wk Range Last	Low	High	Total Return 52-wk	3-yr
U.S. Treasury, Bloomberg	**4.140**	4.220				-11.70	-2.74
U.S. Treasury Long, Bloomberg	**3.950**	4.120				-26.78	-7.70
Aggregate, Bloomberg	**4.610**	4.730	50	35	69	-12.19	-2.64
Fixed-Rate MBS, Bloomberg	**4.590**	4.720	47	18	88	-11.05	-3.00
High Yield 100, ICE BofA	**7.848**	8.056	368	249	552	-7.535	0.215
Muni Master, ICE BofA	**3.326**	3.401	-6	-17	10	-7.807	-0.580
EMBI Global, J.P. Morgan	**7.861**	8.078	400	322	496	-16.067	-4.374

Sources: J.P. Morgan; S&P Dow Jones Indices; Bloomberg Fixed Income Indices; ICE BofA

THE TICKER

MARKET EVENTS COMING THIS WEEK

CJ GUNTHER/EPA/SHUTTERSTOCK

Skippy owner Hormel Foods is set to report on Wednesday.

Monday

Earnings expected
Estimate/Year Ago

Arrowhead Pharmaceuticals **(0.58)**/(0.61)

AZEK Co. Class A **0.18**/0.32

Tuesday

Consumer Confidence

Oct., previous 102.5

Nov., expected 100.0

Earnings expected
Estimate/Year Ago

CrowdStrike Holdings Class A **0.32**/0.17

Elbit Systems **1.90**/2.08

Hewlett Packard Enterprise **0.57**/0.52

Intuit **1.19**/1.53

NetApp **1.33**/1.28

Workday Class A **0.84**/1.10

Wednesday

Chicago PMI

Oct., previous 45.2

Nov., expected 47.3

EIA status report
Previous change in stocks in millions of barrels

Crude-oil stocks down 3.7

Gasoline stocks up 3.1

Distillates up 1.7

GDP Deflator

3rd qtr. adv. est. up 4.1%

3rd qtr. sec. est. n.a.

Gross domestic product
Percentage change, annual rate

3rd qtr. adv. est. up 2.6%

3rd qtr. sec. est. up 2.7%

Mort. bankers indexes

Purch., previous up 3.0%

Refinan., prev. up 2.0%

Earnings expected
Estimate/Year Ago

Hormel Foods **0.50**/0.51

Pure Storage Class A **0.25**/0.22

Salesforce **1.22**/1.27

Snowflake Class A **0.04**/0.04

Splunk **0.25**/(0.37)

Synopsys **1.85**/1.82

Thursday

Construction spending

Sep., previous up 0.2%

Oct., expected up 0.2%

Initial jobless claims

Previous 240,000

Expected 230,000

Personal spending

Sep., previous up 0.6%

Oct., expected up 0.8%

Personal income

Sep., previous up 0.4%

Oct., expected up 0.4%

ISM mfg. index

Oct., previous 50.2

Nov., expected 50.0

EIA report: natural-gas
Previous change in stocks in billions of cubic feet

down 80

Earnings expected
Estimate/Year Ago

Ambarella **0.20**/0.57

Dollar General **2.54**/2.08

Kroger **0.81**/0.78

Ulta Beauty **4.12**/3.93

Veeva Systems Class A **1.07**/0.97

Zscaler **0.26**/0.14

Friday

Nonfarm payrolls

Oct., previous 261,000

Nov., expected 200,000

Unemployment rate

Oct., previous 3.70%

Nov., expected 3.70%

* FactSet Estimates earnings-per-share estimates don't include extraordinary items (Losses in parentheses) ◆ Adjusted for stock split

Note: Forecasts are from Dow Jones weekly survey of economists

New to the Market

Public Offerings of Stock

IPOs in the U.S. Market

None expected this week

Lockup Expirations

Below, companies whose officers and other insiders will become eligible to sell shares in their newly public companies for the first time. Such sales can move the stock's price.

Lockup expiration	Issue date	Issuer	Symbol	Offer price($)	Offer amt ($ mil.)	Through Friday (%)	Lockup provision
Nov. 28	May 31, '22	Zhong Yang Financial Group Ltd	**TOP**	5.00	27.5	**2.6**	180 days

Sources: Dealogic; Dow Jones Market Data

IPO Scorecard

Performance of IPOs, most-recent listed first

Company SYMBOL IPO date/Offer price	Wed s close ($)	% Chg From Offer price	1st-day close
Acrivon Thera **ACRV** Nov. 15/$12.50	12.50	**...**	−24.9
Atour Lifestyle Hldgs **ATAT** Nov. 11/$11.00	11.64	**5.8**	−9.6
ASP Isotopes **ASPI** Nov. 10/$4.00	2.47	**−38.3**	−7.5
Plutonian Acquisition **PLTNU** Nov. 10/$10.00	10.07	**0.7**	0.4
Snail **SNAL** Nov. 10/$5.00	2.84	**−43.2**	26.2
Mobileye Global **MBLY** Oct. 26/$21.00	29.40	**40.0**	1.5
Prime Medicine **PRME** Oct. 20/$17.00	20.71	**21.8**	34.7
Hudson Acquisition I **HUDAU** Oct. 14/$10.00	10.17	**1.6**	1.5
TenX Keance Acquisition **TENKU** Oct. 14/$10.00	10.18	**1.8**	1.5
Spring Valley Acquisition II **SVIIU** Oct. 13/$10.00	10.31	**3.1**	2.1

Company SYMBOL IPO date/Offer price	Friday's close ($)	% Chg From Offer price	1st-day close
Aquaron Acquisition **AQUNU** Oct. 4/$10.00	10.20	**2.0**	1.8
dMY Squared Technology **DMYY.U** Sept. 30/$10.00	10.06	**0.6**	0.6
Laser Photonics **LASE** Sept. 30/$5.00	2.22	**−55.5**	−13.8
Qomolangma Acquisition **QOMOU** Sept. 30/$10.00	10.09	**0.9**	1.0
Global Star Acquisition **GLSTU** Sept. 20/$10.00	10.13	**1.3**	1.6
Nexalin Technology **NXL** Sept. 16/$4.15	2.29	**−44.8**	1.8
Corebridge Financial **CRBG** Sept. 15/$21.00	22.39	**6.6**	8.0
Third Harmonic Bio **THRD** Sept. 15/$17.00	18.96	**11.5**	−3.7
Wearable Devices **WLDS** Sept. 13/$4.25	0.69	**−83.7**	−75.6
EF Hutton Acquisition I **EFHTU** Sept. 9/$10.00	10.08	**0.7**	1.3

Sources: Dow Jones Market Data; FactSet

Public and Private Borrowing

Treasurys

Monday, November 28

Auction of 13 and 26 week bills; announced on November 23; settles on December 1

Tuesday, November 29

Auction of 52 week bill; announced on November 23; settles on December 1

Wednesday, November 30

Auction of 17 week bill; announced on November 29; settles on December 6

Thursday, December 1

Auction of 4 and 8 week bills; announced on November 29; settles on December 6

Currencies

U.S.-dollar foreign-exchange rates in late New York trading

Country/currency	Fri in US$	Fri per US$	US$ vs, YTD chg (%)
Americas			
Argentina peso	.0060	165.6089	**61.3**
Brazil real	.1848	5.4103	**−2.9**
Canada dollar	.7475	1.3379	**5.8**
Chile peso	.001084	922.23	**8.2**
Colombia peso	.000206	4865.57	**19.7**
Ecuador US dollar	1	1	**unch**
Mexico peso	.0517	19.3417	**−5.7**
Uruguay peso	.02552	39.1850	**−12.4**
Asia-Pacific			
Australian dollar	.6750	1.4815	**7.6**
China yuan	.1396	7.1654	**12.7**
Hong Kong dollar	.1280	7.8129	**0.2**
India rupee	.01224	81.670	**9.6**
Indonesia rupiah	.0000638	15673	**10.0**
Japan yen	.007184	139.19	**20.9**
Kazakhstan tenge	.002149	465.28	**6.9**
Macau pataca	.1242	8.0515	**0.2**
Malaysia ringgit	.2232	4.4800	**7.5**
New Zealand dollar	.6246	1.6010	**9.5**
Pakistan rupee	.00445	224.625	**27.5**
Philippines peso	.0176	56.700	**11.2**
Singapore dollar	.7266	1.3763	**2.1**
South Korea won	.0007487	1335.56	**12.3**
Sri Lanka rupee	.0027211	367.50	**81.1**
Taiwan dollar	.03232	30.945	**11.6**
Thailand baht	.02799	35.730	**7.5**
Vietnam dong	.00004037	24770	**8.4**
Europe			
Czech Rep. koruna	.04269	23.422	**7.1**
Denmark krone	.1398	7.1532	**9.4**
Euro area euro	1.0400	.9616	**9.4**
Hungary forint	.002546	392.79	**21.0**
Iceland krona	.007099	140.87	**8.5**
Norway krone	.1012	9.8789	**12.2**
Poland zloty	.2216	4.5121	**12.0**
Russia ruble	.01653	60.500	**−19.1**
Sweden krona	.0959	10.4317	**15.2**
Switzerland franc	1.0571	.9460	**3.7**
Turkey lira	.0538	18.5917	**39.6**
Ukraine hryvnia	.0271	36.9500	**35.1**
UK pound	1.2094	.8269	**11.9**
Middle East/Africa			
Bahrain dinar	2.6518	.3771	**0.04**
Egypt pound	.0407	24.5742	**56.4**
Israel shekel	.2922	3.4222	**10.1**
Kuwait dinar	3.2519	.3075	**1.6**
Oman sul rial	2.5968	.3851	**0.02**
Qatar rial	.2746	3.641	**−0.02**
Saudi Arabia riyal	.2661	3.7578	**0.1**
South Africa rand	.0586	17.0563	**7.0**

	Close	Net Chg	% Chg	YTD % Chg
WSJ Dollar Index	98.92	0.23	0.23	**10.46**

Sources: Tullett Prebon, Dow Jones Market Data

CLOSED-END FUNDS

Listed are the 300 largest closed-end funds as measured by assets. Closed-end funds sell a limited number of shares and invest the proceeds in securities. Unlike open-end funds, closed-ends generally do not buy their shares back from investors who wish to cash in their holdings. Instead, fund shares trade on a stock exchange. **NA** signifies that the information is not available or not applicable. **NS** signifies funds not in existence for the entire period. 12 month yield is computed by dividing income dividends paid (during the previous 12 months for periods ending at month-end or during the previous 52 weeks for periods ending at any time other than month-end) by the latest month-end market price adjusted for capital gains distributions. Depending on the fund category, either 12-month yield or total return is listed.

Source: Lipper

Friday, November 25, 2022

Fund (SYM)	NAV	Close	Prem /Disc	52 wk Ttl Ret
General Equity Funds				
Adams Diversified Eq Inc **ADX**	18.19	15.32	-15.8	-13.4
Central Secs **CET**	NA	35.20	NA	-5.8
CohenStrsCEOppFd **FOF**	10.99	11.03	+0.4	-13.3
EVTxAdvDivIncm **EVT**	24.92	24.46	-1.8	-6.2
GabelliDiv&IncTr **GDV**	25.09	21.68	-13.6	-13.3
Gabelli Equity Tr **GAB**	5.44	5.94	+9.2	-6.6
GeneralAmer **GAM**	45.38	38.11	-16.0	-6.9
JHancockTaxAdvDiv **HTD**	23.97	23.29	-2.8	1.7
Liberty All-Star Equity **USA**	6.15	6.18	+0.5	-17.7
Liberty All-Star Growth **ASG**	5.46	5.34	-2.2	-35.5
Royce Micro-Cap Tr **RMT**	10.35	9.10	-12.1	-10.4
Royce Value Trust **RVT**	15.56	14.61	-6.1	-13.4
Source Capital **SOR**	40.55	37.39	-7.8	-7.0
Sprott Focus Trust **FUND**	8.82	8.33	-5.6	1.7
SRH Total Return **STEW**	15.74	13.10	-16.8	3.2
Tri-Continental **TY**	31.12	27.67	-11.1	-8.1
Specialized Equity Funds				
abrdn Glb Prem Prop **AWP**	4.48	4.34	-3.1	-24.5
Adams Natural Resources **PEO**	27.03	22.77	-15.8	50.3
ASA Gold & Prec Met Ltd **ASA**	16.80	13.77	-18.0	-33.5
BR Enh C&I **CII**	19.02	18.03	-5.2	-8.7
BlackRock Energy & Res **BGR**	14.71	12.89	-12.4	40.1
BlackRock Eq Enh Div **BDJ**	9.40	9.27	-1.4	2.9
BlackRock Enh Glbl Div **BOE**	11.12	9.87	-11.2	-10.3
BlackRock Enh Intl Div **BGY**	5.79	5.10	-11.9	-10.5
BlackRock ESG Cap Alloc **ECAT**	17.17	14.18	-17.4	-19.7
BlackRock Hlth Sci Tr II **BMEZ**	18.92	15.99	-15.5	-28.4
BlackRock Hlth Sciences **BME**	43.27	43.90	+1.5	-0.2
BlackRock Innov and Grow **BIGZ**	9.15	7.45	-18.6	-48.5
BlackRock Res & Comm **BCX**	11.43	9.91	-13.3	13.7
BlackRock Sci&Tech T II **BSTZ**	20.60	17.36	-15.7	-50.1
BlackRock Sci&Tech Trust **BST**	31.19	31.37	+0.6	-32.2
BlackRock Utl Inf & Pwr **BUI**	22.85	21.94	-4.0	-8.3
CLEARBRIDGE ENGY MDS OPP **EMO**	NA	29.88	NA	41.3
CLEARBRIDGE MLP&MDSTM TR **CTR**	NA	30.60	NA	32.7
ClearBridge MLP & Midstm **CEM**	NA	35.31	NA	34.3
ChnStrInfr **UTF**	25.24	24.88	-1.4	-4.1
Cohen&SteersQualInc **RQI**	13.20	12.64	-4.2	-18.4
CohenStrs Real Est and I **RLTY**	16.28	14.52	-10.8	NS
Cohen&Steers TotRet **RFI**	12.33	12.68	+2.8	-17.0
CohenStrsREITPrefInc **RNP**	21.95	22.70	+3.4	-9.6
Columbia Sel Prm Tech Gr **STK**	25.22	27.00	+7.1	-19.8
DNP Select Income **DNP**	9.31	11.35	+21.9	13.3
Duff&Ph Uti&Infra Inc Fd **DPG**	13.20	13.51	+2.3	6.2
EtnVncEqtyInc **EOI**	15.66	16.70	+6.6	-8.0
EtnVncEqtyIncoII **EOS**	16.58	17.31	+4.4	-21.5
EVRskMnDvsEqInc **ETJ**	8.35	8.35	0.0	-15.2
ETnVncTxMgdBuyWrtInc **ETB**	13.49	14.27	+5.8	-5.3
EtnVncTxMgdBuyWrtOpp **ETV**	12.60	13.14	+4.3	-10.3
EvTxMnDvsEqInc **ETY**	11.63	11.94	+2.7	-10.8
EtnVncTxMgdGlbB **ETW**	8.62	8.40	-2.6	-14.8
EVTxMnGblDvEqInc **EXG**	8.23	7.87	-4.4	-14.7
Ecofin S&S Impact Term **TEAF**	NA	13.68	NA	0.6
First Trust Energy Inc G **FEN**	15.73	14.85	-5.6	15.7
First Tr Enhanced Eq **FFA**	17.55	16.46	-6.2	-14.8
FirstTrEnergyInfra **FIF**	17.75	15.26	-14.0	21.0
FirstTrMLPEner&Inc **FEI**	9.42	8.04	-14.6	19.5
Gabelli Healthcare **GRX**	12.13	10.29	-15.2	-14.9
Gab Utility **GUT**	3.74	7.28	+94.7	1.8
GAMCOGlGold&NatRes **GGN**	3.84	3.51	-8.6	1.6
J Han Finl Opptys **BTO**	36.05	36.46	+1.1	-7.7
Neuberger Brmn MLP & EI **NML**	8.64	7.12	-17.6	42.3
Neuberger Nxt Gen Conn **NBXG**	12.10	9.90	-18.2	-40.5
NubrgrRlEstSec **NRO**	3.60	3.50	-2.8	-23.2
Nuv Dow 30 Dyn Overwrite **DIAX**	16.73	15.99	-4.4	-0.7
NuvCorEqAlpha **JCE**	12.89	13.38	+3.8	-6.7
Nuveen Nasdaq 100 Dyn Ov **QQQX**	21.17	22.67	+7.1	-17.4
Nuv Real Est **JRS**	8.72	8.39	-3.8	-22.8
Nuveen Rl Asst Inc & Gro **JRI**	13.94	12.06	-13.5	-14.2
NuvS&P500DynOvFd **SPXX**	15.48	17.67	+14.1	6.4
NuvSP500BuyIncFd **BXMX**	13.10	13.55	+3.4	-0.9
ReavesUtilityIncome **UTG**	29.94	29.68	-0.9	-4.8
Tortoise Enrgy Infra Crp **TYG**	NA	33.21	NA	26.6
Tortoise Midstream Enrgy **NTG**	NA	36.83	NA	26.6
VDivInt&PremStr **NFJ**	13.76	11.84	-14.0	-18.9
V Art Int&Tech Opps **AIO**	NA	17.06	NA	-21.7
Income & Preferred Stock Funds				
CalamosStratTot **CSQ**	14.05	14.26	+1.5	-18.0
CohenStrsLtdDurPref&Inc **LDP**	20.80	18.94	-8.9	-22.0
CohenStrsSelPref&Income **PSF**	20.64	19.82	-4.0	-21.7
CohenStrsTaxAvPreSecs&I **PTA**	20.45	18.64	-8.9	-15.1
Dividend and Income **DNI**	17.49	NA	NA	NA
FirstTrIntDurPref&Inc **FPF**	19.03	17.35	-8.8	-24.3
JHanPrefInc **HPI**	16.13	16.32	+1.2	-14.6
JHPrefIncII **HPF**	15.98	16.01	+0.2	-17.7
HnckJPfdInco III **HPS**	14.34	14.62	+2.0	-15.4
J Han Prm **PDT**	13.19	14.08	+6.7	-11.1
LMP CapInco **SCD**	NA	12.88	NA	-3.6
Nuveen Multi-Asset Inc **NMAI**	14.07	12.01	-14.6	-21.2
Nuveen Pref & Inc Opp **JPC**	7.94	7.54	-5.0	-13.0
Nuveen Fd **JPS**	7.71	7.01	-9.1	-18.7
Nuveen Pref & Inc Term **JPI**	19.69	19.18	-2.6	-17.0
Nuveen Var Rate P&I **NPFD**	19.55	17.80	-9.0	NS
TCW Strat Income **TSI**	NA	4.81	NA	-9.3
Convertible Sec's. Funds				
AdvntCnvrtbl&IncFd **AVK**	12.77	12.11	-5.2	-20.6
CalamosConvHi **CHY**	11.04	11.68	+5.8	-20.1
CalmosConvOp **CHI**	10.47	11.19	+6.9	-19.6
Ellsworth G&I Fund Ltd **ECF**	9.72	8.42	-13.4	-30.3
V Conv & Inc **NCV**	4.00	3.53	-11.8	-31.6
V Conv & Inc II **NCZ**	3.56	3.06	-14.0	-33.1
V Div Inc & Conv **ACV**	21.19	19.87	-6.2	-25.0
V Eqty & Conv Inc **NIE**	24.56	21.48	-12.5	-20.7
World Equity Funds				
abrdn Emg Mkts Eq Inc **AEF**	5.77	4.99	-13.5	-31.8
abrdn Tot Dyn Div **AOD**	9.31	8.15	-12.5	-9.3
Allspring Gl Div Oppty **EOD**	4.84	5.00	+3.3	-4.5
BlackRock Capital Alloc **BCAT**	17.24	14.47	-16.1	-18.3
Calamos GloDynInc **CHW**	6.50	6.24	-4.0	-31.0
EV TxAdvGlbDivInc **ETG**	17.15	15.84	-7.6	-20.7
EtnVncTxAdvOpp **ETO**	23.52	21.87	-7.0	-23.0
FirstTr Dyn Euro Eq Inc **FDEU**	12.92	11.28	-12.7	-3.3
Gabelli Multimedia **GGT**	4.33	6.15	+42.0	-24.0
GDL Fund **GDL**	10.01	7.93	-20.8	-6.3
Highland Global Alloc **HGLB**	12.30	9.89	-19.6	22.1
India Fund **IFN**	17.12	16.16	-5.6	-6.8
Japan Smaller Cap **JOF**	7.79	6.39	-18.0	-14.6
LazardGlbTotRetInc **LGI**	16.44	15.04	-8.5	-16.8
Mexico **MXF**	NA	15.39	NA	17.1
Miller/Howard High Inc E **HIE**	11.66	10.66	-8.6	14.9
MS ChinaShrFd **CAF**	16.12	13.08	-18.9	-33.8
MS India **IIF**	29.42	24.14	-18.0	-3.6
MS CBRE Gl In Mg **MEGI**	17.20	14.36	-16.5	-23.6
Templeton Dragon **TDF**	10.60	9.01	-15.0	-42.8
Templeton Em Mkt **EMF**	13.36	11.51	-13.8	-26.0

Fund (SYM)	NAV	Close	Prem /Disc	12 Mo Yld
U.S. Mortgage Bond Funds				
BlckRk Income **BKT**	13.29	12.60	-5.2	9.6
Invesco HI 2023 Tgt Term **IHIT**	8.52	8.35	-2.0	5.9
Investment Grade Bond Funds				
Angel Oak FS Inc Trm **FINS**	14.96	13.07	-12.6	9.99
BlRck Core Bond **BHK**	11.11	10.98	-1.2	8.8
BR Credit Alloc Inc **BTZ**	11.28	10.44	-7.4	10.2
J Han Income **JHS**	11.86	11.14	-6.1	6.6
MFS Intmdt **MIN**	3.02	2.83	-6.3	0.0
Western Asset Inf-Lk Inc **WIA**	NA	8.94	NA	22.6
Western Asset Inf-Lk O&I **WIW**	NA	9.45	NA	14.9
Loan Participation Funds				
Apollo Senior Floating **AFT**	NA	12.61	NA	8.4
BR Debt Strategy **DSU**	10.49	9.63	-8.2	8.0
BR F/R Inc Str **FRA**	12.83	11.69	-8.9	7.1
BlackRock Floatng Rt Inc **BGT**	12.45	11.21	-10.0	7.1
Blackstone Sr Fl Rt Tm **BSL**	14.08	12.66	-10.1	7.2
Blackstone Strat Cr **BGB**	12.20	10.76	-11.8	7.7
EtnVncFltRteInc **EFT**	12.70	11.45	-9.9	8.3
EV SenFlRtTr **EFR**	12.48	11.50	-7.9	8.7
FT/Sr Fltg Rte Inc 2 **FCT**	11.04	10.01	-9.3	8.9
Highland Income **HFRO**	14.88	11.40	-23.4	8.2
InvDYCrOpp:AX **VTA**	11.23	NA	NA	NA
InvSnrIncTr **VVR**	4.15	3.85	-7.2	9.4
Nuveen Credit Strat Inc **JQC**	5.86	5.16	-11.9	9.4
NuvFloatRateIncFd **JFR**	9.16	8.39	-8.4	9.1
NuvFloatRteIncOppty **JRO**	9.07	8.23	-9.3	9.1
Nuveen Senior Income **NSL**	5.36	4.86	-9.3	9.2
High Yield Bond Funds				
AllianceBernGlHiIncm **AWF**	10.64	10.01	-5.9	8.2
Allspring Income Oppty **EAD**	7.18	6.87	-4.3	11.1
Barings Glb SD HY Bd **BGH**	14.64	13.12	-10.4	10.0
BR Corporate HY **HYT**	9.42	8.96	-4.9	10.7
BlackRock Ltd Dur Inc **BLW**	13.59	13.18	-3.0	9.4
Brookfield Real Asst Inc **RA**	16.02	17.86	+11.5	13.1
CrSuisHighYld **DHY**	2.02	1.98	-2.0	10.4
DELAWARE IVY HIGH INCOPP **IVH**	11.70	10.78	-7.9	8.5
DoubleLine Inc Sol **DSL**	11.98	11.54	-3.7	15.5
DoubleLine Yld Opps **DLY**	15.09	13.48	-10.7	10.6
First Tr Hi Inc Lng/Shrt **FSD**	12.80	11.47	-10.4	11.3
First Trust HY Opp:2027 **FTHY**	16.01	14.21	-11.2	12.0
Franklin Univ **FT**	7.81	6.82	-12.7	7.7
KKR Income Opportunities **KIO**	NA	11.51	NA	11.3
Nuveen Global High Inc **JGH**	12.86	11.48	-10.7	11.9
PGIM Global High Yield **GHY**	12.65	11.04	-12.7	11.8
PGIM High Yield Bond **ISD**	13.83	12.47	-9.8	10.5
PGIM Sh Dur Hi Yld Opp **SDHY**	17.03	14.97	-12.1	8.8
PioneerHiIncm **PHT**	7.56	6.77	-10.4	11.6
WstAstHIF II **HIX**	NA	5.12	NA	12.8
Western Asset Hi Inc Opp **HIO**	NA	3.94	NA	9.5
Western Asset Hi Yld D O **HYI**	NA	12.15	NA	9.4
Other Domestic Taxable Bond Funds				
Allspring Multi-Sector **ERC**	9.67	9.59	-0.8	12.2
Apollo Tactical Income **AIF**	NA	12.30	NA	9.3
Ares Dynamic Crdt Alloc **ARDC**	NA	12.09	NA	10.1
BlackRock Mlt-Sctr Inc **BIT**	14.79	14.78	-0.1	10.2
BlackRock Tax Muni Bd **BBN**	17.52	18.01	+2.8	8.6
DoubleLine:Oppor Crdt Fd **DBL**	14.53	14.83	+2.0	9.4
EVLmtDurIncm **EVV**	10.56	10.45	-1.0	12.7
Franklin Ltd Dur Income **FTF**	7.15	6.44	-10.0	13.3
J Han Investors **JHI**	13.74	13.21	-3.9	10.6
MFS Charter **MCR**	6.82	6.77	-0.7	0.0
NuvCorePlusImpact **NPCT**	12.37	10.78	-12.9	11.9
Nuveen Taxable Muni Inc **NBB**	16.44	15.85	-3.6	8.5
PIMCO Corp & Inc Oppty **PTY**	11.12	13.01	+17.0	11.7
PIMCO Corp & Inc Strat **PCN**	11.44	12.64	+10.5	10.9
PIMCOHiIncо **PHK**	4.67	4.88	+4.5	12.0
PIMCO IncmStrFd **PFL**	8.10	8.43	+4.1	11.6
PIMCO IncmStrFd II **PFN**	7.13	7.49	+5.0	11.8
Putnam Prem Inc **PPT**	3.98	3.74	-6.0	8.5
Western Asset Dvsfd Inc **WDI**	NA	13.32	NA	11.5
World Income Funds				
abrdn AP IncFd **FAX**	3.02	2.47	-18.2	13.9
MS EmMktDomDebt **EDD**	5.07	4.29	-15.4	8.0
PIMCO Access Income **PAXS**	16.47	16.48	+0.1	NS
PIMCO Dynamic Income **PDI**	18.58	19.63	+5.7	13.3
PIMCO Dynamic Inc Opp **PDO**	14.52	14.39	-0.9	13.7
PIMCO Stratg Inc **RCS**	4.44	5.26	+18.5	12.0
Templeton Em Inc **TEI**	5.35	5.03	-6.0	15.4
Templtn Glbl Inc **GIM**	4.47	4.19	-6.3	9.5
WstAstEmergDebt **EMD**	NA	8.99	NA	12.7
Western Asset Gl Cr D Op **GDO**	NA	12.75	NA	10.3
National Muni Bond Funds				
AllBerNatlMunInc **AFB**	12.08	10.75	-11.0	5.6
BlckRk Inv Q Mun **BKN**	12.78	12.53	-2.0	7.3
BlackRock Muni 2030 Tgt **BTT**	23.04	21.56	-6.4	3.6
BlackRock Muni **BFK**	11.18	10.08	-9.8	6.9
BlackRock Muni II **BLE**	11.60	10.52	-9.3	6.9
BlckRk Muni Inc Qly **BYM**	12.37	11.60	-6.2	6.7
BR MuniAssets Fd **MUA**	11.36	10.62	-6.5	5.8
BR MH Qly 2 **MUE**	11.20	10.25	-8.5	6.6
BR MuniHoldngs **MHD**	13.12	12.14	-7.5	6.6
BR MuniVest Fd **MVF**	7.69	7.01	-8.8	6.2
BR MuniVest 2 **MVT**	11.83	10.76	-9.0	6.8
BR MuniYield Fd **MYD**	11.70	10.55	-9.8	6.4
BR MuniYield Qlty **MQY**	12.80	11.81	-7.7	6.7
BR MuniYld Qlty2 **MQT**	11.35	10.46	-7.8	6.7
BR MuniYld Qly 3 **MYI**	12.13	11.05	-8.9	6.0
BNY Mellon Muni Bd Infra **DMB**	11.69	11.15	-4.6	6.3
BNY Mellon Str Muni Bond **DSM**	6.50	5.79	-10.9	6.6
BNY Mellon Strat Muni **LEO**	6.77	6.27	-7.4	6.0
Del Inv Natl Muni Income **VFL**	11.71	11.32	-3.4	5.1
DWS Muni Inc **KTF**	9.85	8.73	-11.4	5.4
EVMuniBd **EIM**	11.26	10.15	-9.9	5.6
EVMuniIncm **EVN**	11.16	10.22	-8.4	5.9
EVNatMuniOpp **EOT**	17.88	16.78	-6.2	4.7
InvAdvMuIncTrII **VKI**	9.48	8.78	-7.4	6.9
Invesco MuniOp **OIA**	6.26	6.64	+6.1	6.4
InvescoMuOppTr **VMO**	10.59	9.68	-8.6	6.7
InvescoMuTr **VKQ**	10.63	9.72	-8.6	6.6
InvescoQual Inc **IQI**	10.69	9.90	-7.4	6.4
InvTrInvGrMu **VGM**	10.94	10.00	-8.6	6.5
InvescoValMunInc **IIM**	13.11	12.06	-8.0	6.5
MAINSTAY:MK DEFTR MUN OP **MMD**	16.80	16.55	-1.5	6.5
NeubrgrBrm **NBH**	11.82	10.94	-7.4	6.8
Nuveen AMT-Fr Mu Val **NUW**	14.79	13.67	-7.6	3.5
Nuveen AMT-Fr Qlty Mun I **NEA**	12.37	11.33	-8.4	6.3
Nuveen AMT-Fr Mu CI **NVG**	13.20	12.26	-7.1	7.0
Nuveen Dyn Muni Opp **NDMO**	10.92	10.51	-3.8	9.7
Nuveen Int Dur Mun Term **NID**	13.21	12.91	-2.3	4.5
Nuveen Mu Crdt Opps **NMCO**	11.87	11.61	-2.2	7.1
Nuv Muni Credit Income **NZF**	13.18	12.06	-8.5	6.7
NuvMuniHiIncOpp **NMZ**	10.85	10.98	+1.2	7.6
Nuveen Muni Val **NUV**	9.14	8.76	-4.2	4.0
Nuveen Quality Muni Inc **NAD**	12.74	11.71	-8.1	6.4
Nuveen Sel TF **NXP**	14.21	13.58	-4.4	4.2
PIMCO MuniInc **PMF**	9.57	10.49	+9.6	6.3
PIMCOMuniIncII **PML**	8.83	9.53	+7.9	7.9
Pimco Muni III **PMX**	8.08	9.00	+11.4	6.9
PioneerHiIncAdv **MAV**	9.01	8.15	-9.5	6.6
PionrMuniHiIncOppty **MIO**	12.25	11.01	-10.1	7.2
PioneerMunHiIcm **MHI**	9.73	8.81	-9.5	6.1
Putnam Mgd Inc **PMM**	6.37	6.49	+1.9	6.1
Putnam Muni Opp **PMO**	10.87	11.29	+3.9	6.1
RiverNorth Flx Mu Inc II **RFMZ**	NA	14.04	NA	8.8
RiverNorth Mgd Dur Mun I **RMM**	16.25	15.30	-5.8	8.1
Western Asset Mgd Muni **MMU**	NA	10.29	NA	4.9
Single State Muni Bond				
BlackRock CA Mun **BFZ**	12.58	10.91	-13.3	5.0
BR MH CA Qly Fd Inc **MUC**	12.36	11.12	-10.0	6.4
BR MH NJ Qly **MUJ**	12.61	11.73	-7.0	6.9
BR MH NY Qly **MHN**	11.65	10.34	-11.2	6.4
BR MuniYld MI Qly **MIY**	12.58	11.52	-8.4	6.1
BR MuniYld NY Qly **MYN**	11.24	10.06	-10.5	6.2
BlackRock NY Mun **BNY**	11.53	10.22	-11.4	6.4
EVCAMuniBd **EVM**	10.16	8.77	-13.7	5.5
InvCaValMuIncTr **VCV**	10.84	9.72	-10.3	6.1
InvPAValMuIncTr **VPV**	11.48	9.95	-13.3	6.0
InvTrInvGrNYMu **VTN**	11.57	10.36	-10.5	5.7
Nuveen CA AMT-F Qual MI **NKX**	13.00	12.06	-7.2	5.9
Nuveen CA Val **NCA**	9.17	8.53	-7.0	3.5
NuveenCAQtyMuInc **NAC**	12.47	11.17	-10.4	6.1
NuvNJ Qual Muni Inc **NXJ**	13.21	11.63	-12.0	6.0
Nuveen NY AMT/Fr Qual MI **NRK**	11.73	10.53	-10.3	5.9
Nuveen NY Qual Muni Inc **NAN**	12.21	10.86	-11.1	5.8
Nuveen OH Qual Muni Inc **NUO**	14.36	12.61	-12.2	4.4
Nuveen PA Qual Muni Inc **NQP**	13.10	11.33	-13.5	5.6
Nuveen VA Qlty Mun Inc **NPV**	12.10	11.85	-2.1	5.1
PIMCO CA **PCQ**	10.34	15.66	+51.5	5.4
PIMCOCAMuniII **PCK**	6.54	7.18	+9.8	6.0

Fund (SYM)	NAV	Close	Prem /Disc	52 wk Ttl Ret
General Equity Funds				
Alternative Strategies:I	5.17	NA	NA	-17.6
BOW RIVER CAPTL EVGN;II	NA	NA	NA	N
Specialized Equity Funds				
ArrowMark Financial Corp **BANX**	NA	17.39	NA	NA
Bluerock Total Inc+ RE:M	NA	NA	NA	NS
CBRE GlbRlEst **IGR**	6.59	6.22	-5.6	-26.8
Clarion Partners REI D	12.65	NA	NA	11.9
Clarion Partners REI I	12.67	NA	NA	12.3
Clarion Partners REI S	12.67	NA	NA	11.3
Clarion Partners REI T	12.64	NA	NA	11.3
First Tr Real Assets;I	NA	NA	NA	NS
NexPointRlEstStrat;A	21.01	NA	NA	12.4
NexPointRlEstStrat;C	21.24	NA	NA	11.5
NexPointRlEstStrat;Z	21.27	NA	NA	12.8
PIMCO Flexible REI;Inst	NA	NA	NA	NS
PREDEX;I	31.70	NA	NA	16.6
PREDEX;T	31.91	NA	NA	16.4
PREDEX;W	31.91	NA	NA	16.4
Principal Dvs Sel RA A	26.89	NA	NA	1.8
Principal Dvs Sel RA Ins	26.98	NA	NA	2.1
Principal Dvs Sel RA Y	27.16	NA	NA	2.3
The Private Shares;A	42.36	NA	NA	1.2
The Private Shares;I	42.92	NA	NA	1.4
The Private Shares;L	41.82	NA	NA	0.9
USQ Core Real Estate:I	30.17	NA	NA	13.9
USQ Core Real Estate:IS	30.22	NA	NA	14.0
Versus Cap MMgr RE Inc:I	30.56	NA	NA	NE
Versus Capital Real Asst	27.20	NA	NA	5.9
Wildermuth:A	13.23	NA	NA	-1.5
Wildermuth:C	12.51	NA	NA	-2.2
Wildermuth:I	13.38	NA	NA	-1.2
Income & Preferred Stock Funds				
Alpha Alternative Assets	6.48	NA	NA	-20.2
Calamos L/S Eqty and DI **CPZ**	18.35	16.19	-11.8	-2.8
Flat Rock Opportunity	18.78	NA	NA	-3.9
Lord Abbett Spec Sit I:A	8.90	NA	NA	-6.7
Lord Abbett Spec Sit I:I	8.91	NA	NA	-3.7
Variant Altrntv Inc:Inst	28.76	NA	NA	8.5
Variant Impact;Instl	26.66	NA	NA	11.5
Convertible Sec's. Funds				
Calmos Dyn Conv and Inc **CCD**	20.61	22.15	+7.5	-25.8
World Equity Funds				
ACAP Strategic:A	14.11	NA	NA	-40.2
ACAP Strategic:W	10.49	NA	NA	-39.8
CalamosGlbTotRet **CGO**	10.12	9.36	-7.5	-27.1
Primark Priv Eq Inv:I	11.30	NA	NA	-8.9
Sweater Cashmere	20.12	NA	NA	NS
Thornburg Inc Bldr Opps **TBLD.O**	16.66	14.57	-12.5	-10.2
VirtusTotalRetFd **ZTR**	NA	6.84	NA	NA

Fund (SYM)	NAV	Close	Prem /Disc	12 Mo Yld
U.S. Mortgage Bond Funds				
Arca US Treasury	NA	NA	NA	0.0
Ellington Inc Opp:A	NA	NA	NA	8.9
Ellington Inc Opp:M	NA	NA	NA	9.8
Loan Participation Funds				
1WS Credit Income;A2	NA	NA	NA	6.9
1WS Credit Income;Inst	NA	NA	NA	6.9
AlphCntrc Prime Merid In	9.00	NA	NA	11.7
Axonic Alternative Inc	NA	NA	NA	12.5
Blackstone FR EI D	20.96	NA	NA	6.6
Blackstone FR EI I	20.94	NA	NA	6.9
Blackstone FR EI T	20.90	NA	NA	6.3
Blackstone FR EI T-I	21.41	NA	NA	6.3
Blackstone FR EI U	21.82	NA	NA	6.3
Bluerock HI Inst Crd:A	24.35	NA	NA	NS
Bluerock HI Inst Crd:C	24.35	NA	NA	NS
Bluerock HI Inst Crd:F	24.35	NA	NA	NS
Bluerock HI Inst Crd:I	24.35	NA	NA	NS
BNYM Alcntr Glb MS Cr Fd	85.71	NA	NA	9.5
CliffwaterClFd;I	10.60	NA	NA	8.4
CliffwaterElFd;A	NA	NA	NA	9.8
CNR Strategic Credit	8.04	NA	NA	21.2
Eagle Point Instl Income	NA	NA	NA	NS
Equalize Community Dev	9.30	NA	NA	2.8
FedProj&TrFinanceTendr	9.96	NA	NA	3.0
Flat Rock Core Income	19.86	NA	NA	7.0
InvDYCrOpp:A	11.23	NA	NA	NS
InvDYCrOpp:R6	11.23	NA	NA	NS
InvDYCrOpp:Y	11.23	NA	NA	NS
Invesco Sr Loan A	5.96	NA	NA	6.6
Invesco Sr Loan C	5.97	NA	NA	5.8
Invesco Sr Loan IB	5.96	NA	NA	6.9
Invesco Sr Loan IC	5.96	NA	NA	6.7
Invesco Sr Loan Y	5.96	NA	NA	6.8
OFS Credit Company **OCCI**	NA	9.10	NA	21.9
Yieldstreet Prism	NA	NA	NA	8.1
High Yield Bond Funds				
Apollo Diversified Cd:A	NA	NA	NA	6.8
Apollo Diversified Cd:C	NA	NA	NA	6.8
Apollo Diversified Cd:F	NA	NA	NA	7.1
Apollo Diversified Cd:I	NA	NA	NA	6.8
Apollo Diversified Cd:L	NA	NA	NA	6.8
Apollo Diversified Cd:M	NA	NA	NA	NS
Opprtnstc Crdt Intrvl;I	10.08	NA	NA	NS
PIMCO Flexible Cr I;A-1	7.55	NA	NA	9.7
PIMCO Flexible Cr I;A-2	7.55	NA	NA	9.7
PIMCO Flexible Cr I;A-3	7.55	NA	NA	9.4
PIMCO Flexible Cr I;A-4	7.55	NA	NA	9.4
PIMCO Flexible Cr I;Inst	7.55	NA	NA	10.2
WA Middle Mkt Inc	NA	NA	NA	5.9
Other Domestic Taxable Bond Funds				
AFA MMC;Inst	9.69	NA	NA	5.9
AFA MMC;Inv	9.66	NA	NA	5.9
Alternative Credit Inc:A	10.19	NA	NA	6.8
Alternative Credit Inc:C	10.30	NA	NA	6.0
Alternative Credit Inc:I	10.22	NA	NA	7.1
Alternative Credit Inc:L	10.19	NA	NA	6.6
Alternative Credit Inc:W	10.18	NA	NA	6.8
Angel Oak Str Crdt:FI	20.37	NA	NA	NS
Angel Oak Str Crdt:Inst	20.36	NA	NA	14.9
BR Credit Strat;A	8.53	NA	NA	6.8
BR Credit Strat;Inst	8.51	NA	NA	7.8
BR Credit Strat;U	8.53	NA	NA	6.8
BR Credit Strat;W	8.53	NA	NA	6.8
BlackRock Mlt-Sctr Oppty	68.64	NA	NA	9.6
BlackRock Mlt-Sec Opp II	70.65	NA	NA	9.2
CION Ares Dvsfd Crdt;A	NA	NA	NA	5.8
CION Ares Dvsfd Crdt;C	NA	NA	NA	5.8
CION Ares Dvsfd Crdt;I	NA	NA	NA	5.9
CION Ares Dvsfd Crdt;L	NA	NA	NA	5.9
CION Ares Dvsfd Crdt;U	NA	NA	NA	5.7
CION Ares Dvsfd Crdt:U2	NA	NA	NA	5.7
CION Ares Dvsfd Crdt;W	NA	NA	NA	5.8
CNR Select Strategies	12.37	NA	NA	0.0
First Eagle Crdt Opps A	23.97	NA	NA	7.3
First Eagle Crdt Opps A2	23.97	NA	NA	NS
First Eagle Crdt Opps I	23.93	NA	NA	7.9
First Trust Private Cr;I	9.87	NA	NA	NS
Franklin BSP Pvt Cr:A	10.06	NA	NA	NS
Franklin BSP Pvt Cr:Adv	10.07	NA	NA	NS
FS Credit Income;A	NA	NA	NA	6.3
FS Credit Income;I	NA	NA	NA	6.5
FS Credit Income;T	NA	NA	NA	6.0
FS Credit Income;U	NA	NA	NA	5.7
FS Credit Income;U-2	NA	NA	NA	6.3
GL Beyond Income	0.43	NA	NA	NE
KKR CREDIT OPPTY;D	NA	NA	NA	10.6
KKR CREDIT OPPTY;I	NA	NA	NA	9.4
KKR CREDIT OPPTY;T	NA	NA	NA	8.5
KKR CREDIT OPPTY;U	NA	NA	NA	8.6
Palmer Square Opp Inc	16.46	NA	NA	7.1
The Finite Solar Finance	9.83	NA	NA	NS
Thrivent Church Ln&Inc:S	9.04	NA	NA	3.3
World Income Funds				
BlueBay Destra Itl E:A	24.04	NA	NA	14.7
BlueBay Destra Itl E:I	24.05	NA	NA	14.9
BlueBay Destra Itl E:L	24.01	NA	NA	14.4
BlueBay Destra Itl E:T	23.92	NA	NA	14.3
Carlyle Tact Pvt Cred:A	8.28	NA	NA	7.7
Carlyle Tact Pvt Cred:I	8.31	NA	NA	8.2
Carlyle Tact Pvt Cred:L	8.27	NA	NA	7.6
Carlyle Tact Pvt Cred:M	8.31	NA	NA	7.4
Carlyle Tact Pvt Cred:N	8.27	NA	NA	8.3
Carlyle Tact Pvt Cred:U	8.32	NA	NA	NS
Carlyle Tact Pvt Cred:Y	8.27	NA	NA	8.0
Lord Abbett Cred Opps Fd	9.00	NA	NA	7.7
Lord Abbett Cred Opps Fd	9.00	NA	NA	8.5
Lord Abbett Crd Op:U	9.01	NA	NA	7.7
Oaktree Dvsfd Income;D	8.83	NA	NA	NS
PIMCO Flexible EM I;Inst	8.14	NA	NA	NS
National Muni Bond Funds				
Ecofin Tax-Adv Soc Impct	9.31	NA	NA	4.9
Lind Cap Pt Mun Cred Inc	8.77	NA	NA	NS
Nuveen En HY Muni Bd:A1	7.16	NA	NA	5.0
Nuveen En HY Muni Bd:A2	7.17	NA	NA	NS
Nuveen En HY Muni Bd:I	7.15	NA	NA	6.0
PIMCO Flex Mun Inc;A-3	9.77	NA	NA	2.7
PIMCO Flex Mun Inc:A1	9.77	NA	NA	3.0
PIMCO Flex Mun Inc;A2	9.77	NA	NA	3.1
PIMCO Flex Mun Inc;Inst	9.77	NA	NA	3.6
Single State Muni Bond				
PIMCO CA FMI;Inst	9.82	NA	NA	NS

A Week in the Life of the DJIA

A look at how the Dow Jones Industrial Average component stocks did in the past week and how much each moved the index. The DJIA gained 601.34 points, or 1.78%, on the week. A $1 change in the price of any DJIA stock = 6.59-point change in the average. To date, a $1,000 investment on Dec. 31 in each current DJIA stock component would have returned $28,993, or a loss of 3.36%, on the $30,000 investment, including reinvested dividends.

Pct chg (%)	Stock price change	Point chg in average*	Company	Symbol	Close	$1,000 Invested (year-end '21) $1,000
7.70	7.07	46.60	**Walt Disney**	DIS	$98.87	$638
4.81	1.91	12.59	**Walgreens**	WBA	41.66	836
4.21	13.20	87.00	**Home Depot**	HD	326.38	801
3.59	5.31	35.00	**salesforce.com**	CRM	153.35	603
3.14	3.27	21.55	**Merck**	MRK	107.50	1,438
2.98	1.49	9.82	**Dow**	DOW	51.56	942
2.91	4.15	27.35	**Procter & Gamble**	PG	146.72	919
2.60	6.27	41.32	**Microsoft**	MSFT	247.49	743
2.57	5.52	36.38	**Honeywell**	HON	220.05	1,077
2.57	4.47	29.46	**Boeing**	BA	178.36	886
2.55	9.66	63.67	**Goldman Sachs**	GS	388.86	1,037
2.54	1.55	10.22	**Coca-Cola**	KO	62.69	1,083
2.36	4.35	28.67	**Travelers**	TRV	188.91	1,227
2.17	2.90	19.11	**JPMorgan Chase**	JPM	136.74	891
1.89	2.84	18.72	**Walmart**	WMT	153.07	1,070
1.85	4.27	28.14	**Caterpillar**	CAT	235.70	1,167
1.80	2.28	15.03	**3M**	MMM	129.04	758
1.44	7.62	50.22	**UnitedHealth Group**	UNH	537.62	1,081
1.42	2.99	19.71	**Visa**	V	213.79	994
1.28	0.61	4.02	**Cisco**	CSCO	48.40	788
1.22	0.47	3.10	**Verizon**	VZ	39.02	792
1.08	1.65	10.87	**American Express**	AXP	154.15	954
0.60	1.63	10.74	**McDonald's**	MCD	275.00	1,043
0.59	1.04	6.85	**Johnson & Johnson**	JNJ	177.24	1,063
0.51	0.54	3.56	**Nike**	NKE	105.96	641
0.49	0.73	4.81	**IBM**	IBM	148.37	1,166
0.39	0.71	4.68	**Chevron**	CVX	183.70	1,622
−1.24	−3.55	−23.40	**Amgen**	AMGN	283.74	1,301
−1.77	−0.53	−3.49	**Intel**	INTC	29.34	592
−2.10	−3.18	−20.96	**Apple**	AAPL	148.11	839

*Based on Composite price. DJIA is calculated on primary-market price.
Source: Dow Jones Market Data; FactSet.

Insider-Trading Spotlight

Trading by 'insiders' of a corporation, such as a company's CEO, vice president or director, potentially conveys new information about the prospects of a company. Insiders are required to report large trades to the SEC within two business days. Here's a look at the biggest individual trades by insiders, based on data received by Refinitiv on November 25, and year-to-date stock performance of the company

KEY: B: beneficial owner of more than 10% of a security class **CB:** chairman **CEO:** chief executive officer **CFO:** chief financial officer **CO:** chief operating officer **D:** director **DO:** director and beneficial owner **GC:** general counsel **H:** officer, director and beneficial owner **I:** indirect transaction filed through a trust, insider spouse, minor child or other **O:** officer **OD:** officer and director **P:** president **UT:** unknown **VP:** vice president Excludes pure options transactions

Biggest weekly individual trades

Based on reports filed with regulators this past week

Date(s)	Company	Symbol	Insider	Title	No. of shrs in trans (000s)	Price range ($) in transaction	$ Value (000s)	Close ($)	Ytd (%)
Buyers									
Nov. 16-18	**Amerco**	**UHAL**	M. Shoen	BI	603	52.71-56.00	32,447	59.02	-23.9
Nov. 16-18			E. Shoen	PI	603	52.71-56.00	32,447		
Nov. 21	**Tenaya Therapeutics**	**TNYA**	D. Goeddel	DOI	9,615	2.60	25,000	2.53	-86.6
Nov. 23	**Ryan Specialty Holdings**	**RYAN**	P. Ryan	CEOI	285	38.66-39.07	11,055	39.33	-2.5
Nov. 21			P. Ryan	CEOI	288	38.26	11,021		
Nov. 22			P. Ryan	CEOI	288	37.50-39.22	10,924		
Nov. 18			P. Ryan	CEOI	184	36.34-38.36	6,922		
Nov. 21	**Biodesix**	**BDSX**	J. Schuler	DOI	8,696	1.15	10,000	1.46	-72.4
Nov. 21			M. Strobeck	D	2670*	1.15	3,070		
Nov. 21			J. Patience	CBI	1,739	1.15	2,000		
Nov. 16-18	**Lions Gate Entertainment**	**LGF.A**	M. Rachesky	DOI	871	6.68-6.94	5,969	7.65	-54.0
Nov. 21	**Canoo**	**GOEV**	T. Aquila	CEOI	4,505	1.11	5,000	1.13	-85.4
Nov. 18-22	**Six Flags Entertainment**	**SIX**	R. Jaffer	BI	150	21.79-22.27	3,316	22.60	-46.9
Nov. 18-22			A. Ruchim	DOI	150	21.79-22.27	3,316		
Nov. 18	**Element Solutions**	**ESI**	M. Franklin	DI	135	18.90	2,552	19.45	-19.9
Nov. 16	**Intel**	**INTC**	L. Tan	DI	50	29.49	1,474	29.34	-43.0
Nov. 21	**Carvana**	**CVNA**	D. Gill	O	133	7.62	1,013	7.97	-96.6
Nov. 21-22	**Rain Therapeutics**	**RAIN**	F. Berger	D	122	7.80-8.27	988	8.00	-37.9
Sellers									
Nov. 16-18	**Walmart**	**WMT**	J. Walton	BI	3,663	147.86-149.48	543,226	153.07	5.8
Nov. 16-18			S. Walton	DOI	3,663	147.86-149.48	543,226		
Nov. 16-18			A. Walton	BI	3,663	147.86-149.48	543,226		
Nov. 21	**Rollins**	**ROL**	G. Rollins	CEOI	7,750	39.62	307,055	39.99	16.9
Nov. 15-17	**DoubleVerify Holdings**	**DV**	R. Noell	DOI	11,500	26.13	300,530	25.32	-23.9
Nov. 21	**Privia Health Group**	**PRVA**	J. Bernstein	DI	3,187	22.56	71,896	22.92	-11.4
Nov. 18	**AerSale**	**ASLE**	M. Kirton	DOI	4,452	14.80	65,904	15.81	-10.9
Nov. 18			J. Seiffer	DOI	4,452	14.80	65,904		
Nov. 22	**BlackRock**	**BLK**	L. Fink	CEO	41	730.57-733.37	29,993	737.78	-19.4
Nov. 21	**Aspen Technology**	**AZPN**	A. Pietri	CEO	126	231.11-243.87	29,446	243.68	
Nov. 17	**Vertex**	**VERX**	J. Westphal	BI	1,500	15.15	22,725	16.48	3.8
Nov. 22	**Agilent Technologies**	**A**	M. Mcmullen	CEO	129	155.73	20,046	156.96	-1.7
Nov. 18-21	**Motorola Solutions**	**MSI**	G. Brown	CEO	66	259.78-264.87	17,232	268.43	-1.2
Nov. 17	**ACV Auctions**	**ACVA**	R. Goodman	DI	2,000	8.25	16,500	7.83	-58.4
Nov. 16-17	**Moderna**	**MRNA**	S. Bancel	CEO	90*	180.31-186.12	16,495	176.40	-30.5
Nov. 15	**Arch Capital Group**	**ACGL**	J. Bunce	D	250	56.21	14,053	58.73	32.1
Nov. 16	**Home Depot**	**HD**	E. Decker	CEO	44	313.90-315.47	13,874	326.38	-21.4
Nov. 16	**Roper Technologies**	**ROP**	R. Crisci	CFO	32	430.58-434.79	13,815	436.38	-11.3

* Half the transactions were indirect ** Two day transaction
p - Pink Sheets

Buying and selling by sector

Based on actual transaction dates in reports received this past week

Sector	Buying	Selling	Sector	Buying	Selling
Basic Industries	845,917	10,011,644	**Finance**	4,940,684	94,461,073
Capital Goods	923,278	47,996,223	**Health care**	20,067,909	148,128,220
Consumer durables	5,433,211	11,442,197	**Public Utilities**	229,600	823,901
Consumer non-durables	1,134,125	22,342,864	**Technology**	5,469,831	266,936,429
Consumer services	12,368,524	130,339,884	**Transportation**	96,367	1,173,778
Energy	1,750,329	18,057,469			

Sources: Refinitiv; Dow Jones Market Data

Borrowing Benchmarks | wsj.com/market-data/bonds/benchmarks

Money Rates

November 25, 2022

Key annual interest rates paid to borrow or lend money in U.S. and international markets. Rates below are a guide to general levels but don't always represent actual transactions.

Inflation

	Oct. index level	Chg From (%) Sept. '22	Oct. '21
U.S. consumer price index			
All items	298.012	0.41	7.7
Core	299.315	0.29	6.3

International rates

	Latest	Week ago	—52-Week— High	Low
Prime rates				
U.S.	7.00	7.00	7.00	3.25
Canada	5.95	5.95	5.95	2.45
Japan	1.475	1.475	1.475	1.475
Policy Rates				
Euro zone	2.00	2.00	2.00	0.00
Switzerland	1.00	1.00	1.00	0.00
Britain	3.00	3.00	3.00	0.10
Australia	2.85	2.85	2.85	0.10
Overnight repurchase				
U.S.	3.82	3.82	3.83	0.01

U.S. government rates

	Latest	Week ago	—52-WEEK— High	Low
Discount	4.00	4.00	4.00	0.25
Federal funds				
Effective rate	3.8400	3.8400	3.8400	0.0800
High	4.0500	4.0500	4.1000	0.0900
Low	3.8000	3.8000	3.8200	0.0500
Bid	3.8300	3.8300	3.8300	0.0600
Offer	3.8800	3.8500	3.8800	0.0800
Treasury bill auction				
4 weeks	3.970	3.795	3.970	0.020
13 weeks	4.220	4.155	4.220	0.050
26 weeks	4.520	4.440	4.520	0.070
Secondary market				
Fannie Mae 30-year mortgage yields				
30 days	5.899	6.005	6.812	2.480
60 days	5.919	6.038	6.988	2.503

Other short-term rates

	Latest	Week ago	—52-Week— high	low
Call money	5.75	5.75	5.75	2.00
Commercial paper (AA financial)				
90 days	n.a.	4.33	4.63	0.13
Libor				
One month	4.05471	3.95671	4.05471	0.09038
Three month	4.76000	4.66486	4.76000	0.17088
Six month	5.21871	5.14271	5.22529	0.24325
One year	5.64000	5.50943	5.66643	0.38238
Secured Overnight Financing Rate	3.80	3.80	3.81	0.04

	Latest	Value Traded	—52-Week— High	Low
DTCC GCF Repo Index				
Treasury	3.829	18.400	3.829	0.023
MBS	3.870	28.250	3.873	0.032

Notes on data:
U.S. prime rate is the base rate on corporate loans posted by at least 70% of the 10 largest U.S. banks, and is effective November 3, 2022. **Other prime rates** aren't directly comparable; lending practices vary widely by location; **Discount rate** is effective November 3, 2022. **Secured Overnight Financing Rate** is as of November 24, 2022. **DTCC GCF Repo Index** is Depository Trust & Clearing Corp.'s weighted average for overnight trades in applicable CUSIPs. Value traded is in billions of U.S. dollars. **Federal-funds rates** are Tullett Prebon rates as of 5:30 p.m. ET.

Sources: Federal Reserve; Bureau of Labor Statistics; DTCC; FactSet; Tullett Prebon Information, Ltd.

Cash Prices | wsj.com/market-data/commodities

Friday, November 25, 2022

These prices reflect buying and selling of a variety of actual or "physical" commodities in the marketplace—separate from the futures price on an exchange, which reflects what the commodity might be worth in future months.

	Friday
Energy	
Coal,C.Aplc.,12500Btu,1.2SO2-r,w	187.700
Coal,PwdrRvrBsn,8800Btu,0.8SO2-r,w	17.100
Metals	
Gold, per troy oz	
Engelhard industrial	n.a.
Handy & Harman base	1751.85
Handy & Harman fabricated	1944.55
LBMA Gold Price AM	*1755.25
LBMA Gold Price PM	*1755.40
Krugerrand,wholesale-e	n.a.
Maple Leaf-e	n.a.
American Eagle-e	n.a.
Mexican peso-e	n.a.
Austria crown-e	n.a.
Austria phil-e	n.a.
Silver, troy oz.	
Engelhard industrial	n.a.
Handy & Harman base	21.3740
Handy & Harman fabricated	26.7180
LBMA spot price	*£17.7800
(U.S.$ equivalent)	*21.5600
Coins,wholesale $1,000 face-a	22055
Other metals	
LBMA Platinum Price PM	*988.0
Platinum,Engelhard industrial	n.a.
Palladium,Engelhard industrial	n.a.
Aluminum, LME, $ per metric ton	*2364.0
Copper,Comex spot	3.6265

	Friday
Iron Ore, 62% Fe CFR China-s	99.7
Shredded Scrap, US Midwest-s,m	n.a.
Steel, HRC USA, FOB Midwest Mill-s	620
Battery/EV metals	
BMI Lithium Carbonate, EXW China, =99.2%-v,w	79650
BMI Lithium Hydroxide, EXW China, =56.5% -v,w	79025
BMI Cobalt sulphate, EXW China, >20.5% -v,m	8494
BMI Nickel Sulphate, EXW China, >22%-v,m	5480
BMI Flake Graphite, FOB China, -100 Mesh, 94-95% -v,m	765
Fibers and Textiles	
Burlap,10-oz,40-inch NY yd-n,w	0.7500
Cotton,1 1/16 std lw-mdMphs-u	0.8093
Cotlook 'A' Index-t	*101.35
Hides,hvy native steers piece fob-u	n.a.
Wool,64s,staple,Terr del-u,w	n.a.
Grains and Feeds	
Barley,top-quality Mnpls-u	n.a.
Bran,wheat middlings, KC-u,w	253
Corn,No. 2 yellow,Cent IL-bp,u	6.5300
Corn gluten feed,Midwest-u,w	204.4
Corn gluten meal,Midwest-u,w	656.3
Cottonseed meal-u,w	393
Hominy feed,Cent IL-u,w	212
Meat-bonemeal,50% pro Mnpls-u,w	365
Oats,No.2 milling,Mnpls-u	n.a.
Rice, Long Grain Milled, No. 2 AR-u,w	36.13
Sorghum,(Milo) No.2 Gulf-u	n.a.
SoybeanMeal,Cent IL,rail,ton48%-u,w	433.80
Soybeans,No.1 yllw IL-bp,u	14.2100

	Friday
Wheat,Spring14%-pro Mnpls-u	n.a.
Wheat,No.2 soft red,St.Louis-u	n.a.
Wheat - Hard - KC (USDA) $ per bu-u	n.a.
Wheat,No.1soft white,Portld,OR-u	n.a.
Food	
Beef,carcass equiv. index	
choice 1-3,600-900 lbs.-u	234.37
select 1-3,600-900 lbs.-u	212.81
Broilers, National comp wtd. avg.-u,w	1.2583
Butter,AA Chicago-d	2.9475
Cheddar cheese,bbl,Chicago-d	181.75
Cheddar cheese,blk,Chicago-d	215.00
Milk,Nonfat dry,Chicago lb.-d	139.75
Coffee,Brazilian,Comp-y	1.6533
Coffee,Colombian, NY-y	2.2272
Eggs,large white,Chicago-u	3.9650
Flour,hard winter KC-p	23.50
Hams,17-20 lbs,Mid-US fob-u	1.03
Hogs,Iowa-So. Minnesota-u	83.60
Pork bellies,12-14 lb MidUS-u	1.4042
Pork loins,13-19 lb MidUS-u	1.2125
Steers,Tex.-Okla. Choice-u	154.63
Steers,feeder,Okla. City-u,w	184.75
Fats and Oils	
Degummed corn oil, crude wtd. avg.-u,w	n.a.
Grease,choice white,Chicago-h	0.7250
Lard,Chicago-u	n.a.
Soybean oil,crude;Centl IL-u,w	0.7827
Tallow,bleach;Chicago-h	0.7400
Tallow,edible,Chicago-u	n.a.

KEY TO CODES: A=ask; B=bid; BP=country elevator bids to producers; C=corrected; D=CME; E=Manfra,Tordella & Brookes; H=American Commodities Brokerage Co; K=bi-weekly; M=monthly; N=nominal; n.a.=not quoted or not available; P=Sosland Publishing; R=SNL Energy; S=Platts-TSI; T=Cotlook Limited; U=USDA; V=Benchmark Mineral Intelligence; W=weekly; Y=International Coffee Organization; Z=not quoted. *Data as of 11/24

Source: Dow Jones Market Data

HEARD ON THE STREET

FINANCIAL ANALYSIS & COMMENTARY

Yandex Faces Iron Curtain

Nasdaq-listed shares are frozen, Russian internet company considers a split

DONAT SOROKIN/TASS/ZUMA PRESS

Often called Russia's Google, Yandex also has elements of Uber and Amazon.

After nine months of trying to maintain an awkward neutrality, Russia's most successful tech company wants to take sides in the Ukraine war—both of them.

On Friday, Nasdaq-listed **Yandex** said it is reviewing options to restructure its ownership. It sketched out a split into two parts, one acceptable in the U.S. and Europe and the other in Moscow. Although the move defies financial logic, Yandex in its current, globe-spanning form no longer works politically.

The division might happen through a sale of the core Russian business, plus associated operations in other emerging markets. Yandex is often called Russia's Google, but it also has elements of Uber, Spotify and Amazon.

Like Alphabet, it makes nice profits from a search and portal business and plows them into other bets. The most advanced is a ride-hailing service that has dominated the Russian market since a 2018 merger with Uber's local operation.

A sale would leave just the most international of Yandex's other bets in the company as currently incorporated. The four named Friday were driverless cars, cloud computing, education technology and data labeling. This portfolio wouldn't be financially sustainable, though, as it is propped up by Yandex's core operation. Most likely the four businesses would need to be sold or taken private.

Yet a split would at least point a way forward for Yandex's Western shareholders, most of whom haven't been able to sell their shares since Nasdaq suspended trading on Feb. 28. They own most of the company, which resembles Silicon Valley peers in its capital structure. Although founder Arkady Volozh retains 45% of Yandex's voting shares, he only has 8.5% of the economic rights, leaving a large free float that isn't currently free to float.

The big question for investors is what they might get for the core business, which would retain the Yandex brand. The company hit a peak market value of roughly $31 billion roughly a year ago, but all tech stocks have fallen dramatically since then. Yandex has a secondary listing in Moscow where its shares continue to trade at a valuation equivalent to about $11 billion.

Yandex's financial results remain strong, helped by market-share gains after Google stopped selling advertising in Russia in March. Revenue rose 46% in the third quarter compared with the same period last year, and profit was much better as the company put the brakes on some spending.

Still, investors can expect a large discount in what is essentially a forced sale process. Amsterdam-listed technology investor Prosus last month agreed to sell Avito, Russia's top website for classified ads, for about $2.5 billion. Prosus is one of the few Western companies to have gotten out of Russia with any money at all, but analysts previously valued Avito at $6 billion.

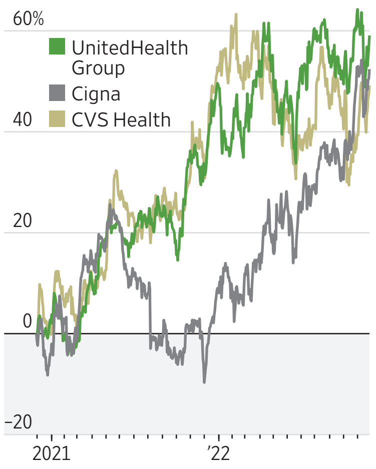
Finding the right ownership and governance for the Russian part of Yandex will also involve a balancing act. Under Vladimir Putin's increasingly authoritarian regime, the company will need political cover but also can't alienate its internationally minded employees by aligning itself too closely with the Kremlin. This too could make it hard for shareholders to get a good price. They will get a vote on whatever deal emerges.

Yandex was previously a beacon of post-Soviet independence on Russia's corporate scene, marrying a Silicon Valley approach to technology and capital with the Russian market opportunity. Its nascent plan to reinvent itself is worth watching—if only as a poignant farewell to a freer age.

—Stephen Wilmot

This Drug Going Off Patent Means Big Bucks for Middlemen

PBM owners' share-price performance, past two years



Source: FactSet

Starting next year the highest-grossing drug of all time, **AbbVie**'s Humira, will face competition from copycat biologics in the U.S. Yet the makers of the complex generics known as biosimilars won't necessarily be the biggest winners. The top beneficiaries could instead be middlemen such as **Cigna** and **CVS Health**, which will negotiate and dispense the drugs to patients.

Humira—used to treat diseases from rheumatoid arthritis to gut disorders—has raked in about $200 billion over its lifetime and is on pace to bring in more than $21 billion this year alone, according to data from Visible Alpha. While biosimilars have been available in Europe since 2018, patents have shielded Humira from competition in the U.S. until 2023, when companies including Amgen and Teva Pharmaceutical will begin rolling out versions.

While manufacturing biosimilars will be a big opportunity for other drug companies, the Food and Drug Administration has approved seven versions, meaning there will be pressure on margins as companies compete. AbbVie itself will continue making money from Humira for several years, with annual revenue for the drug exceeding $4 billion until 2026, according to data from FactSet.

Competition between biosimilar makers will benefit the U.S. consumer and taxpayer. Specialty-drug costs, including Humira, represent 2% of prescriptions, yet account for 50% of drug spending, according to UnitedHealth Group's Optum Rx.

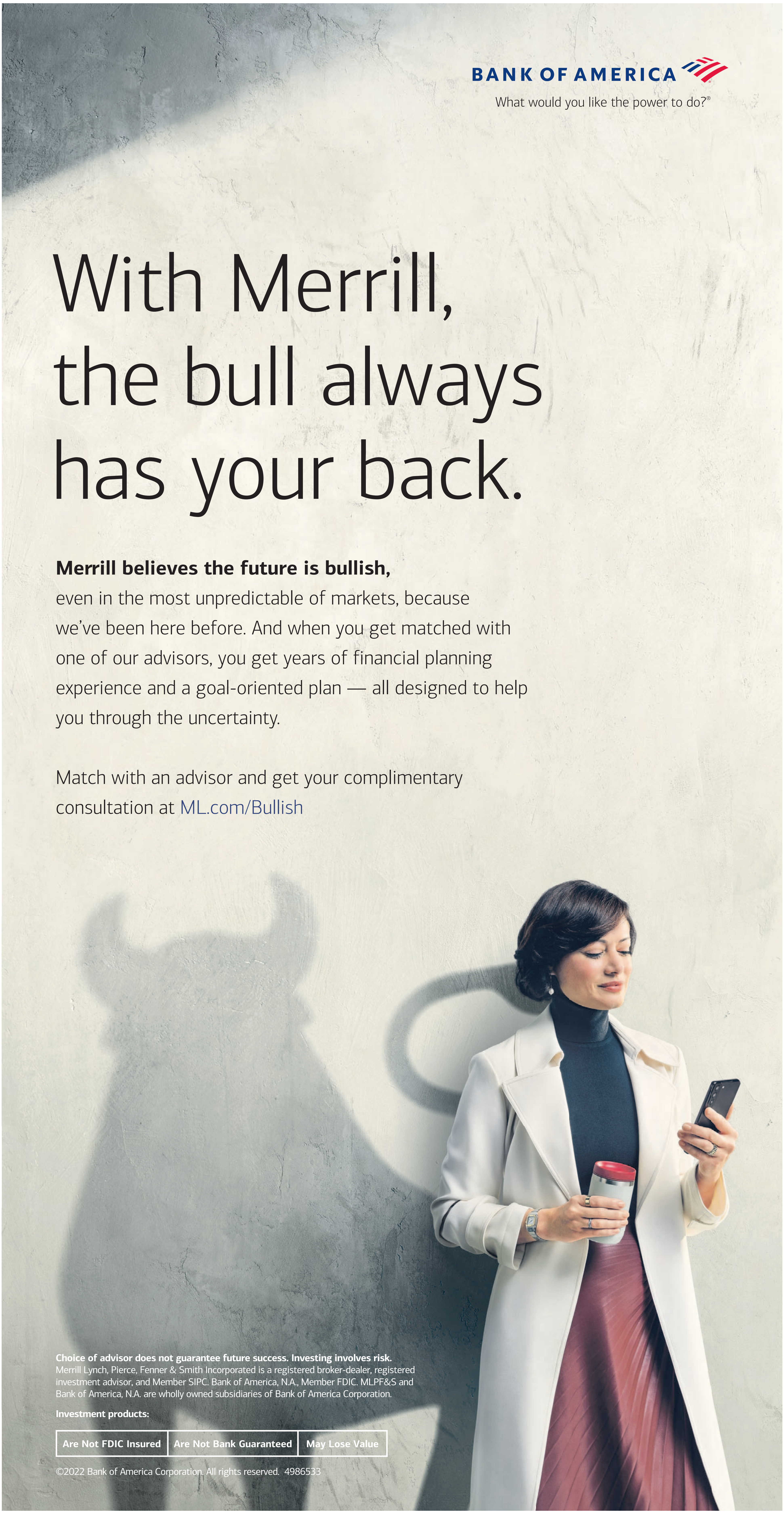
But the savings will also benefit pharmacy-benefit managers, or PBMs, such as Optum Rx, Cigna's Evernorth/Express Scripts and CVS's Caremark, which negotiate those discounts and then provide the medication to patients through specialty pharmacies.

The key is how the drugs are administered. Biologics are usually taken via injection or infusion. So far, most of the 24 biosimilars approved in the U.S. are administered under the supervision of a medical professional in a clinical setting. But an analysis by Morgan Stanley suggests more than 70% of total branded sales going off patent through 2025 will be covered by pharmacy-benefit managers and dispensed directly by their specialty pharmacies to patients.

For-profit pharmacy-benefit managers in the U.S. are responsible for negotiating with drug companies and deciding which ones to place in their formulary. Drug companies can win over PBMs by offering rebates, or discounts from the list price.

United's Optum Rx became the first PBM to disclose how it plans to transition to Humira biosimilars. Heather Cianfrocco, chief executive of Optum Rx, said in November that AbbVie's drug would be offered alongside as many as three other medications next year. Optum Rx's decision is expected to generate double-digit-percentage savings on the drug for clients next year, the company said. What went unsaid is that it will be a boon for the companies administering it, too.

—David Wainer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JOURNAL REPORT
WEALTH MANAGEMENT

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ALEX NABAUM

How to Be Smart About RMDs

People planning for retirement need a game plan for required minimum distributions. Do it right, and they'll keep more savings in their pockets—and less in the government's.

By Glenn Ruffenach

THEY are, as a rule, among the more unexciting words in the English language: required minimum distributions.

Today, though, RMDs—the annual withdrawals that many people, starting in their early 70s, must take from their nest eggs—are generating a surprising amount of noise and anxiety among retirees and financial advisers.

Recent changes in tax rules, courtesy of Congress and the Internal Revenue Service, could force some retirees and eventually their beneficiaries to pull more money, faster from tax-deferred retirement accounts than previously planned. These withdrawals, coupled with looming increases in tax rates, could leave families with much less money in their pockets and much more in the government's.

A $1 million IRA, for instance, that only recently could have provided a retired

Please turn to page R2

More People Choose to Rent Single-Family Homes

Big developers are getting into the business

By Lori Ioannou

WHEN Ronald Granville, a former law-enforcement officer in Philadelphia, was offered a new job in North Carolina this summer, he and his wife, Fiona Granville, jumped at the chance to relocate their family. They packed up the van and took their two sons on a road trip to scout for a place to live.

The couple had dreamed of owning their own home and putting down roots. But after calculating the cost of a 30-year fixed-rate mortgage on a three-bedroom home in the local market, they instead went with a new community of single-family rentals in Brentwood run by American Homes 4 Rent, just minutes from Lake Norman, their favorite vacation spot.

"We did the math and found the cost of a mortgage, home insurance and taxes would be $1,500 more a month than the cost of renting a home," says the 42-year-old, whose monthly rent is now $2,200 a month. "We decided to wait until mortgage rates drop before buying a house. It is just not economical right now."

Increasingly, U.S. consumers faced with inflation and the high price of homes are pressing the pause button on home buying. The rate on an average 30-year fixed mortgage is now 6.61%, more than double what it was in October 2021, according to housing-finance agency Freddie

Please turn to page R4

Inside

PERSONAL FINANCES

How to handle a sudden financial windfall. **R5**

Scan this code to see how economic factors have affected the question of whether it's better to buy or rent a home.

Taxes

The marriage penalty and marriage bonus still exist. **R7**

YOUNG MONEY

Learning to be grateful for what you have, rather than feeling guilty. **R8**

RMD Planning

Continued from page R1

couple and their heirs with payouts for 40 or 50 years might need to be emptied now in half that time. A smaller window translates into bigger required withdrawals each year. And bigger withdrawals mean bigger taxes.

More bluntly, a sizable balance today in an IRA or 401(k) could be "a ticking tax time bomb," says Ed Slott, an IRA expert in Rockville Centre, N.Y.

What to do? If you have an IRA or 401(k) that amounts to a healthy six figures or more, it's essential to stop thinking about required distributions simply as an annual task and begin thinking about RMD planning. That means steadily trimming the size of tax-deferred accounts to minimize required distributions and their associated taxes in retirement.

"It's the RMD mind-set that needs to change," Mr. Slott says. For decades, people planning for retirement have pumped money primarily into tax-deferred vehicles like IRAs and 401(k)s, as opposed to tax-free accounts such as Roth IRAs, and pushed off withdrawals from these accounts for as long as possible. Today, given the changes out of Washington, a better approach—particularly for those with large nest eggs—would be to "get those funds out of IRAs over a longer time period and take advantage of today's historically low tax rates," Mr. Slott says.

But "people generally aren't doing this," he says.

7%
U.S. households with IRA only

30%
IRA and employer-sponsored retirement plan

26%
Employer-sponsored retirement plan only

37%
No IRA and no employer-sponsored retirement plan

Source: Investment Company Institute

Not your decision

To understand why RMD planning is so important, it's important to understand this: While most people decide for themselves how to manage their money, that isn't the case with RMDs. The government makes you pull money from IRAs and the like on *its* schedule.

If you're lucky, tax rates will be low when you have to withdraw funds, as they are currently. Today's rates and tax brackets, though, are scheduled to "sunset" (read: expire) after the 2025 tax year and revert to their higher 2017 levels. Worse, the long-term outlook for tax rates is discouraging, at best. With programs like Social Security and Medicare badly in need of repair—and with the national debt recently topping $31 trillion—"the least likely thing is that taxes will go down from here," says Doug Ewing a senior consultant in Denver with Nationwide Retirement Institute. "So why not take advantage of where we are right now?"

To get an idea of how attractive rates are today—and how quickly that can change—Mr. Ewing offers this example: Consider a married couple, both age 65. Let's say this couple pulls $112,250 from a traditional IRA. (That figure takes maximum advantage of the current standard deduction of $28,700 for a couple this age.) If the couple has no other income, and if we use 2022 tax brackets, the federal tax on the withdrawal would be just $9,705, an effective tax rate of just over 8.6%, Mr. Ewing says. Fast forward to 2026, when tax rates revert to 2017 levels. Now, the same withdrawal results in a tax of almost $13,600, or an effective tax rate of 12%. (The 2017 numbers will be adjusted for inflation, which could result in a smaller tax increase.)

Today, families and their advisers also must contend with one of the biggest changes in retirement finances in years. Congress, as part of the Secure Act in 2019, largely eliminated the so-called stretch IRA. As such,

many beneficiaries who, before the Secure Act, could stretch withdrawals and taxes from inherited IRAs over decades now must empty these accounts within 10 years. Again, that truncated time frame means bigger annual withdrawals and bigger taxes.

In short, a nice, fat IRA, which certainly seemed like a worthwhile goal 30 or 40 years ago, today is doing many retirees and near-retirees no favors. All of which argues for RMD planning: anticipating how required withdrawals could affect your taxes and your beneficiaries' taxes.

"A good tax projection looks out years in advance for key events," says Martin E. James, a certified public accountant in Mooresville, Ind. "What happens to my taxes when I claim Social Security? What happens when my RMDs start? What happens if one spouse dies? How will that affect the surviving spouse's taxes?" The point: "I want to be in control of my tax brackets when these events occur," Mr. James says. "I don't want these big spikes in my retirement income. And that's where RMD planning comes in."

What are some of the basic elements of that planning? Here are five:

Rethinking contributions

If you're still early in your retirement planning—and if you anticipate having the resources to build a big nest egg—you probably should move, if you haven't already, to contributing to Roth IRAs and Roth 401(k)s, instead of tax-deferred accounts. Withdrawals from the former, of course, will be tax-free. As they will be for your beneficiaries.

The problem: Many investors are reluctant to do this. That's because when you contribute to a traditional IRA or 401(k), you typically get a tax deduction up front. And we love that! We love what that immediate deduction does for our tax returns each year. But that approach also can be shortsighted.

Example: Let's say you're 15 years or so from retirement and currently in the 22% tax bracket. You contribute $25,000 to a tax-deferred account. As such, you save $5,500 today in taxes. Sounds good. Jump ahead to retirement, when this $25,000 contribution, ideally, has doubled in size. But now, you're in the 25% tax bracket (if tax rates, at the least, revert to 2017 levels). If you withdraw $50,000 from this account, the tax will be $12,500 (0.25 x $50,000). If you had contributed the original $25,000 to a Roth, your tax on the $50,000 withdrawal would be zero.

Says Mr. Slott: "Tax deductions for retirement contributions are really just a loan from the government that will have to be paid back at the worst possible time—in retirement and at possibly higher tax rates."

Tapping IRAs early

Most people are loath to withdraw funds from tax-deferred accounts until the IRS makes them. It's the mantra that has been part of retirement planning for years: To meet spending needs in later life, pull funds from taxable accounts first, followed by tax-deferred accounts and, finally, tax-free accounts.

For the better part of a decade, though, research has shown that *blending* withdrawals often can be more effective. That means pulling funds—say, beginning in your early 60s—from both taxable *and* tax-deferred accounts. In doing so, you can chip away at IRA balances, as well as future taxes, a decade or so before RMDs kick in.

For example, a seminal study in the Journal of Financial Planning compared 15 methods of withdrawing funds from a $2 million portfolio with a 70-20-10 mix of, respectively, tax-deferred, taxable and tax-free assets. The authors found that, over the course of a 30-year retirement, a couple would pay about $225,000 less in taxes by tapping the tax-deferred account *first* (up to the level of one's taxable deductions) and *then* tapping a taxable account, compared with withdrawing funds in the traditional manner.

Roth conversions

This is an oldie but a goodie. For those approaching, or early in, retirement—and, typically, before RMDs begin—shifting funds from tax-deferred accounts to tax-free accounts (also known as a Roth conversion) is key.

"Yes, you take a hit upfront when you pay taxes on the conversion itself," says Aaron Kaplan, a lawyer in Cincinnati who specializes in estate planning. "But you'll be funding an account [a Roth IRA or Roth 401(k)] that won't incur any taxes during the owner's lifetime—or the beneficiary's lifetime."

Indeed, the larger your IRA balance, the more likely a chunk of those funds will end up in the hands of adult children or grandchildren. Again, these heirs, under the new rules, will have just 10 years to empty, and pay the taxes on, a tax-deferred account. What's more, some of your beneficiaries could be inheriting your nest egg at the worst possible time: when they are in their own high-earning years.

Roth conversions do have their skeptics. A primary concern is "lost opportunity cost." The argument goes something like this: "Why should I pull funds early from my IRA and pay taxes upfront? I would rather keep that money invested in the markets and working for me." The math, though, argues otherwise. Mr. Slott offers the following example:

A couple has an IRA valued at $100,000. They decide against converting to a Roth. If the IRA doubles in value over the couple's lifetime to $200,000—and if the tax rate when they withdraw those funds is 30%—they will end up with $140,000 ($200,000 less the $60,000 paid in taxes). The couple's neighbors also have an IRA worth $100,000, and they decide to convert to a Roth. If the tax rate is the same 30%, the tax upfront on the conversion is $30,000, leaving the couple with $70,000 in a Roth IRA. If this amount doubles in value over their lifetime, the couple also ends up with $140,000.

"If both the tax rate and the investment rate are the same, there's no difference in paying taxes upfront or later on," Mr. Slott says. "However, if tax rates increase, then the Roth IRA advantage compounds over time."

Life insurance

This strategy takes advantage of the fact that proceeds from life insurance typically are free of income tax.

Here, you use withdrawals from an IRA to purchase permanent life insurance—say a whole-life policy or universal life insurance. Yes, you're taxed on the amounts pulled from your nest egg, and the annual insurance premiums can be steep: typically, $20,000 or more to buy $1 million or more of insurance. Which argues for starting this process, say, in your early 60s. The earlier you buy, the larger the death benefit for the same premium.

The long-term benefits, though, can be considerable. The assets inside the insurance policy grow tax-free; the insurance can be left to a trust, which can help you control the disbursement of funds after your death; and the proceeds paid to heirs will have no RMDs and, most important, no taxes.

All of the above presumes that you can, in fact, use part or all of your IRA withdrawals to buy insurance. Clearly, this kind of planning calls for sitting down with a financial adviser.

Charitable planning

If you donate money regularly to charities, and/or if you plan to leave some of your estate to a charity after you die, two strategies can help with RMD planning.

The first is a qualified charitable distribution. A QCD—available to those age 70½ and older—is a direct transfer of funds to an eligible nonprofit from an IRA. (The money doesn't pass through your hands; your IRA custodian handles the transaction.) The good news: You aren't taxed on the withdrawal, *and* the withdrawal could count toward satisfying some, or possibly all, of your RMD for the year.

The better news: These distributions can help gradually reduce your IRA balance, which can help reduce the size of your RMDs, which, in turn, can help reduce your taxes.

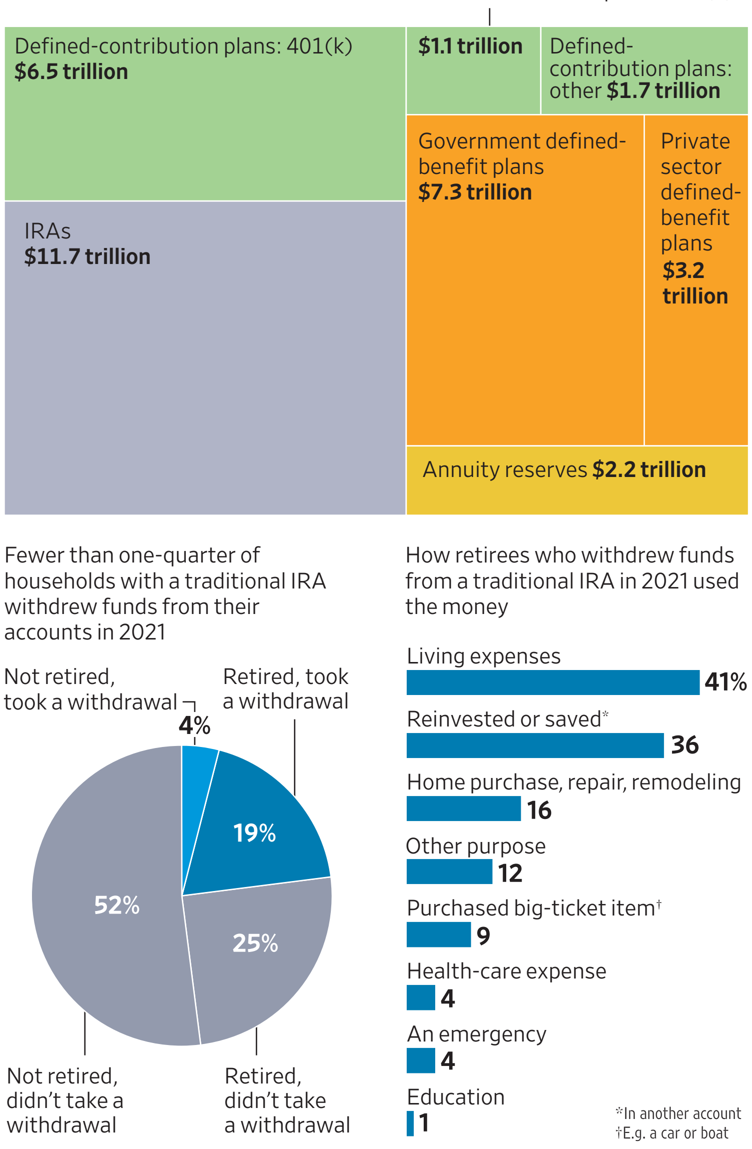
The second option is a charitable remainder trust. This gets more involved, but the idea is relatively straightforward. You designate the tax-exempt CRT as the beneficiary of your IRA. After you die, the trust distributes a percentage of the assets annually to your survivors; at their death, the remaining assets go to a designated charity.

The larger points: First, a CRT comes close to re-creating some of the biggest benefits of the stretch IRA in that it is a tax-deferred vehicle that generates a lifetime stream of income. Second, when it comes to postdeath charitable planning, your IRA might be the best asset to leave to a CRT. Leave other non-IRA assets to your family.

Mr. Ruffenach is a former reporter and editor for The Wall Street Journal. Write to ***reports@wsj.com.***

Your Nest Egg

Americans held $33.7 trillion in retirement assets as of June 30, 2022, with individual retirement accounts comprising the largest share



Source: Investment Company Institute

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◀ Danny Perez, Emily Jewell and their daughter Santana live in a single-family style rental community in San Antonio, Texas.

KAYLEE GREENLEE BEAL FOR THE WALL STREET JOURNAL

People Opt To Rent Single-Family Homes

Continued from page R1

Mac. As a result, single-family home rentals, or SFRs, are now a hot area in the real-estate market.

"We are in the midst of a housing-affordability crisis and people are suffering from sticker shock," says Gary Berman, CEO of Tricon Residential, a major developer, builder and operator of single-family homes for rent across the U.S. and Canada.

More economical

The trend has made consumers closely examine whether renting a single-family home currently is more economical than owning one.

Nationally, it cost $888 a month more to buy an entry-level single-family home than to rent it, according to September data from John Burns Real Estate Consulting.A 30-year-fixed mortgage with 5% down (including principal, interest, taxes, insurance and maintenance) on such a home cost $3,058 a month, while the median monthly rent on such a single-family house was $2,170, based on John Burns research. The firm weighted 99 housing markets in the U.S. to determine the median mortgage payment versus the median rent payment.

According to the National Association of Home Builders, the $4.4 trillion SFR market is one of the fastest-growing sectors in real estate. "Today, single-family, built-for-rent homes account for 11% of all single-family home construction in the housing market, versus a 3% market share that was typical over the last several decades," says Robert Dietz, senior vice president and chief economist for the association. "The sector's market share is on an upswing and should rise to 15% in the coming quarters."

Other factors are driving the trend as well. Some consumers are facing more challenges when trying to get a mortgage. Banks have tightened credit requirements to avoid loan defaults, making it harder to get a loan.

For others, a desire for a more transitory, hassle-free lifestyle has made owning a home less appealing. That's especially true for remote workers who are mobile and can live and work anywhere they can get the best quality of life.

Once dominated by mom-and-pop developers, the SFR market is now a thriving business for major real-estate builders and developers including Invitational Homes, American Homes 4 Rent, Tricon Residential and AHV Communities. SFR is "the darling of real estate," says Mark Wolf, chief executive of AHV Communities, a company with more than $1.6 billion worth of single-family rental homes under management and development in six states including Colorado, Texas and Tennessee.

This is happening even though rents on single-family homes have risen 10.2% year-over-year through September due to inflation, according to the CoreLogic Single-Family Rent Index.

"That's pushed the median rental cost for a three-bedroom single-family detached home to $1,900 monthly," says Molly Boesel, CoreLogic's principal economist. "In contrast," she notes, "mortgage payments on these types of homes have increased 50% since January."

Smart homes

Communities are springing up especially in the Sunbelt. Units typically feature three-bedroom homes with two bathrooms, a family room, a large fenced-in yard, and two-car garage. Besides on-site home maintenance, they offer a host of amenities—from swimming pools and 24-hour fitness centers to dog parks, walking trails and EV charging stations.

Some new SFR communities are designed for upscale customers. For example, the townhouses at Farm Haus, an SFR community in the northwest part of San Antonio, are smart homes in which residents can control their heat, air-conditioning, appliances, locks and garage doors through apps on their mobile phones. Units come with designer kitchens, hardwood floors and 2½ bathrooms.

Emily Jewell, a 25-year-old bartender and makeup artist in San Antonio, Texas, says she and her boyfriend, Danny Perez, were denied a mortgage for a starter home. "We have high credit ratings but most of our income comes from tips and side gigs not reflected on our W-2 forms," she says. "Loan officers weren't comfortable approving our application."

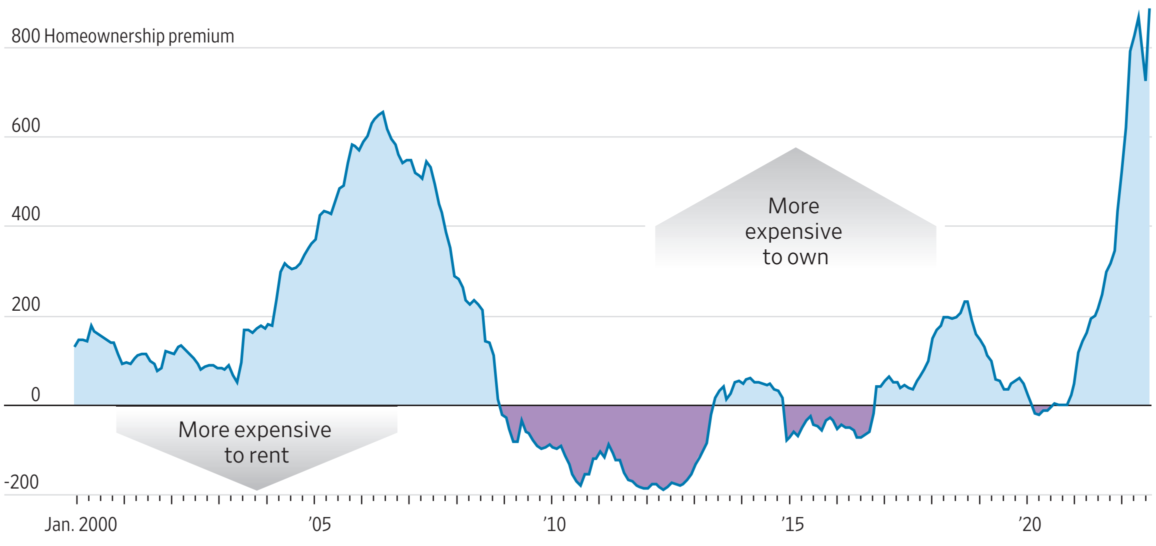
Now, for $2,150 a month in rent, they live in a new, three-bedroom house at Farm Haus. Ms. Jewell says she loves the perks that come with her community, like the use of the clubhouse where she plans to have her daughter Santana's first birthday party. "I am now spoiled," she says. "I don't want to downgrade when I decide to buy a house."

Joe and Stella Watson of Star, Idaho, feel the same. The Watsons just moved with their three children from Sherwood, Ore., to a five-bedroom luxury home in an SFR community run by American Homes 4 Rent. "The community is filled with lots of young families and empty-nesters from all over the country and has a lot of cool things the kids love," says Mr. Watson, who is 40 years old and works as a corporate data consultant. "We will eventually buy a home near Boise," he says. "But for now, we'd rather invest in commodities and high-interest savings accounts until the dust settles in the housing market."

Ms. Ioannou is a writer in New York. Email: reports@wsj.com

Cost of Owning vs. Renting

The homeownership premium for starter single-family homes, or how much more expensive it is or isn't to own compared with renting, over time



Note: Cost of owning assumes the purchase of a home at 80% of the current median-priced existing home with a 5% down payment and a 30-year, fixed-rate mortgage. It includes principal, interest, taxes, and insurance, plus mortgage insurance and maintenance costs. Single-family rent assumes a home valued at 80% of the current median-priced existing home.
Source: John Burns Real Estate Consulting

The Game Plan

After Some Tough Years, a Couple Tries to Shore Up Their Finances

BY LISA WARD

Anna Garcia and Luis Cardenas are married and raising two children in Bay Town, Texas. After several tough years, the couple is trying to get on more solid financial footing so they can pay off debt and rebuild their savings.

Mr. Cardenas, 29 years old, is a construction worker whose contract jobs usually last more than a year. He earns about $55,000 a year before taxes.

Currently, he is working for a solar-panel installer. The job will end on Dec. 15 and he expects his next contract, with a new employer, will start in January. Ms. Garcia, 28, takes care of their two children, ages three and five, and is not employed.

The couple purchased a home in January 2021 valued at about $230,000. They have a fixed-rate mortgage with 2.9% interest rate and a $1,500 monthly payment. They have no other assets or savings.

They have about $5,000 in debt—from a period when Mr. Cardenas was between jobs—on a credit card that charges 26.24% in interest. They are not currently using the card. The minimum payment is $193, though the couple tries to pay more each month.

They pay $750 a month on a $19,000 car loan at 6.4% interest. In addition, the couple has about $6,000 in medical debt.

Other monthly expenses: $840 for food, $380 for utilities, $320 for gasoline. They also pay $1,400 for car insurance twice a year. The children qualify for government-funded healthcare through Medicaid. The couple do not have health insurance for themselves but say they would potentially enroll if a plan was affordable for them. Often, Mr. Cardenas's employers offer plans with high annual deductibles and copays, stopping them from signing up.

Anna Garcia, Luis Cardenas and their two children.

SUSAN MENDOZA

• **Advice from a pro:** Nilay Gandhi, a certified financial planner with Vanguard Personal Advisor Services, in Malvern, Pa., says the couple need to cut monthly spending to free up cash for paying off their debts. Cheaper cellphone rates and auto insurance can be available from other companies. They also can buy groceries from retailers that offer discounts on gasoline.

They should seek to refinance as much of their debt as they can, including the car loan. Any savings, he says, should go first to paying off the credit card. If they pay $500 a month—and don't increase their debt—the couple could pay off the card debt in about a year, he says.

In the meantime, he suggests negotiating with the card company for a lower rate, and if that fails, applying for cards that offer lower rates and allow for transfers. "They may want to consider working with a bank or credit union to see if a personal loan [with a low interest rate] can be obtained and use that to pay off the credit-card debt," Mr. Gandhi says.

The adviser also urges trying to renegotiate the medical bill before it is handed over to a collection agency. The hospital's patient advocate might help, Mr. Gandhi says.

For health insurance, he recommends shopping around. If the monthly premium in the employer health plan is more than 9.12% of their household income, the couple may qualify for tax credits or subsidies if they buy a policy on the government-run healthcare exchange.

Once the debt is paid down, Mr. Gandhi urges the couple to use the money they were paying toward debt to create an emergency fund that covers three to six months' worth of expenses. The fund could then be used to pay for unexpected bills in the future.

Ms. Ward is a writer in Vermont. She can be reached at reports@wsj.com.

How to Handle A Sudden Financial Windfall

It may not seem like a problem to come into a lot of money. But it requires a plan to make sure it lasts—and that it makes you happy.

By Beth DeCarbo

WHAT IF, suddenly, you had enough money to buy something you've long desired, travel to a place you've dreamed of going, or make a real difference to a charity you've always admired?

Consider it a problem we'd all like to have. But consider it a potential problem nonetheless.

After all, to manage your hard-earned money wisely, you need a plan. The same is true when riches appear seemingly overnight.

Sudden wealth can take many forms. A lump-sum pension payout, a substantial inheritance, legal damages in a lawsuit and the sale of a business can all result in riches that can reshape the recipients' lives—for better or worse. That's because vast amounts of cash come with an array of decisions, each with the potential to squander or invest the money, increase or decrease happiness, and bolster or torpedo close relationships.

"I find that the beginning stages are very stressful. It is hard for your mind and body to absorb the change," says Susan K. Bradley, a Palm Beach, Fla.-based financial planner and founder of the Sudden Wealth Institute, which trains financial advisers to help clients work through all aspects of a windfall.

Working through all the issues that come with sudden wealth takes time—typically three to five years—before windfall recipients feel more grounded, Ms. Bradley has found.

In her work at the institute, Ms. Bradley came across one woman who once sold shoes at a department store before inheriting a multimillion-dollar estate. Dealing with her new lifestyle was just one challenge. Other family members —and presumed heirs—received nominal inheritances, and the heiress struggled to cope with their anger and resentment. "It took three years for her to create a new life and feel like she fit into the world," Ms. Bradley says.

Two key components

Two components are important to coping with a multimillion-dollar windfall, she says. The first is a confidant—typically a trusted friend or family member—who becomes a sounding board to help work through all the ideas and possibilities that come with newfound money. Ms. Bradley knows of a Catholic nun, a teacher, who won a lottery jackpot and confided in the school crossing guard, who was a good friend.

The second key is a team of advisers who can review the client's existing finances, such as mortgage and credit-card debt, college savings plans and charitable giving. Longer term, the advisers can help navigate investment options, set up an estate plan, strategize on taxes and ensure adequate insurance coverage.

Ms. Bradley says windfall recipients should consider a mental-health professional who can help with the emotional aspects of sudden wealth, since it "can mess with your head."

The advisers would collaborate like a board of directors to track and manage the windfall recipient's finances, Ms. Bradley says. Together they can fend off predators—friends or family members who aggressively scheme for handouts. Financial accounting should be transparent to all board members, creating a system of checks and balances that could spot theft or mismanagement.

Recipients should carefully research potential advisers when assembling the team, since not all professionals are honest. Case in point: In July, a New York attorney who called himself "the lottery lawyer" was found guilty of wire fraud and money laundering in scams that bilked big-time lottery winners of more than $100 million.

This advisory team is structured much like a family office, which is a private wealth-management firm that serves multiple generations of an ultra-high-net-worth family. At Summit Trail Advisors, a family office in Chicago, roughly 20% of the clients are entertainers or pro athletes, many of whom came from modest backgrounds, says Peter Lee, founding partner.

"My biggest piece of advice is to do nothing for a little bit," he says. "Just because you can do a lot of additional things doesn't mean you should. What does 'doing nothing' mean? Finding a safe, intelligent way to store the capital, typically in preservation-oriented investments," such as municipal bonds.

Many pro athletes go "from living in a dorm room with five roommates to signing a $50 million contract," he says. Their impulse is to immediately buy houses or hand out massive amounts of cash to family members, coaches and mentors who helped them succeed.

Instead, advisers in the firm figure out smart ways for their clients to help others. Mr. Lee has one client who signed a huge contract in the NBA and wanted to give his five brothers opportunities instead of cold, hard cash. The firm created a strategy so the player could finance businesses that the brothers could run, thus creating their own income streams.

Help the client have "an open, transparent dialogue about what's fair and what will work. Then come up with a plan," Mr. Lee says. "When there's a lack of a game plan, everyone is drinking out of the same punch bowl. There's no governance."

A little sting

Boulevard Family Wealth, a family office in Beverly Hills, Calif., has worked with a number of clients who received millions of dollars in inheritances or proceeds from the sale of a business. "We try to be open and honest, even if it stings a little," says managing partner Matt Celenza. If a client wants to buy an expensive jet, for example, his firm will research various options, including fractional ownership and leasing aircraft instead of an outright purchase. The same applies to real-estate purchases and other major outlays.

The goal, he says, is to protect and increase assets that will benefit both current and future generations. That isn't always easy. His firm created a portfolio for one client that was designed to generate a steady stream of income. But the client loved to tap his holdings to make private investments on the side. "It was infringing on his liquidity and would soon affect his ability to make withdrawals without touching his principal," Mr. Celenza says. The firm's advisers gave the client long-range projections based on his current spending, helping him realize that the risks weren't practical. "We are very vocal about what's right and wrong."

Money and happiness

Dealing with a sudden windfall, however, isn't just about making sure there's *enough* money. It is also about making sure the money is used to make the recipient happy. Otherwise, it's just money for the sake of having money.

Over the long term, *how* people choose to spend their windfall has the greatest impact on their overall happiness, according to a 2019 study. The authors, Israeli academics in behavioral economics, developed a model showing the short-term and long-term effects on the recipients' happiness, which fluctuated over time.

In general, winners who quit their jobs and engaged in a lifestyle of passive leisure were less happy than winners who devoted their riches to social pursuits and other activities that gave them pleasure, such as travel, hobbies and volunteering, according to the authors.

The notion that many lottery winners end up broke and homeless is largely a myth, says Robert Östling, a professor of economics at the Stockholm School of Economics. He was part of a team that looked at the long-term effects of lottery winnings on psychological well-being. The study, published in 2020, analyzed the results of a survey by the Swedish government that included responses from 4,800 people who had won a lottery five or more years earlier.

The research found that the long-term effect of winning a lottery on happiness was too small to detect, Dr. Östling says. But there was a slight improvement in overall life satisfaction. "It isn't particularly surprising, because richer people tend to have higher life satisfaction," he adds.

Working through all the issues that come with sudden wealth takes time—typically three to five years before windfall recipients feel more grounded.

The purpose and methodology of each study were different, but both are essentially trying to answer the question: Can money buy happiness?

"Compared with other life events, money does little in terms of life satisfaction and happiness," Dr. Östling says. "Somehow it's instinctive that everybody wants to get more money. But people overestimate its effect on their happiness."

Ms. DeCarbo is a writer in South Carolina. You can email her at ***reports@wsj.com..***

SONIA PULIDO

FROM TOP: TY'RONIE LAND; KAY & CO.

The Bachelorette Party Is Going to Be Where?

Destination events create hard choices

By Allison Pohle

COURTNEY Stewart's closest friends have had a big year. And all at the same time.

Ms. Stewart attended five weddings this past year and will attend six or seven next year. But that wasn't the extent of her wedding-related travels. Cue the bachelorette parties.

She started her bachelorette season with a road trip from Westchester County, N.Y, to Savannah, Ga., then went to Scottsdale, Ariz., Miami and Aruba in the following three months. Soon, she will travel to Park City, Utah, for yet another bachelorette party.

"All of my PTO was used for bachelorettes and weddings," the public-relations professional says. The cheapest of the parties was in Savannah, she says, and cost a little over $1,000 for the entire weekend.

Ms. Stewart says she enjoyed the trips and was grateful she had the opportunity to travel to a variety of destinations. But she also says the travel was only possible because she spent a period of time living with her parents while between apartments.

"I don't think I would've been able to say yes to all of these things if I had been paying rent," she says.

The money question is looming very large for friends of the bride or groom these days. As bachelor and bachelorette parties become "destination" events, guests need to shell out for travel and lodging and extras like themed clothes—which puts a burden on many people who can't easily cover the costs. Many attendees say they feel an obligation to show up for these "once in a lifetime events." So, they have to ask themselves: Do they want to skip the event and risk regret and strained relations with their friends? Or should they attend and break the bank—or, maybe worse, resent their friends for forcing them into a tough spot?

Taking the plunge

These uncomfortable questions arise in a year filled with a record number of weddings, which has been accompanied by a large number of prewedding events, including bachelor and bachelorette parties, industry analysts say. In the first half of 2022, 76% of brides had a bachelorette party, according to data from The Knot, a wedding-planning website. And long gone are the nights out at a local bar before the wedding. According to The Knot, 97% of bachelorette parties in 2021, the most recent data available, required overnight accommodations.

▲ Ty'Ronie Land (upper left) at a Dallas restaurant during a bachelorette getaway. An interior for a bachelorette party decorated by Kay & Co.

Travel costs, in fact, represent a sizable chunk of the rising costs. Price tags are surging for things like airfare, lodging, dinner and drinks. In 2021, the average pre-wedding party size was about 10 people, and the average cost per person was $773 for those attending bachelorette parties, according to party-planning app Bach. The cost is usually higher for those traveling by plane, and has increased this year as airfare has gone up.

For bachelorette attendees, the expense—and pressure—can be intensified by social media. In recent years, it has become more popular to decorate Airbnbs with balloon arches and themed signs, as well as to have Instagram-worthy activities like a bartender visiting the house for custom drinks, says Randi Nuorala, founder of Kay & Co., a decoration service for bachelorette parties. Her business coordinates decorations and services like stocking the fridge for prices ranging from $300 to $1,500.

"The activities have just gotten bougier," she says. "Like, 'We're going on this girl's trip, we're going to be posting about it, we need to look like this is like a luxury experience.' "

All of which can put some attendees in a psychological and financial bind. Young people often tie their self-worth to the time and money they spend on their friend group, says financial therapist Ashley Agnew.

They're putting their personal value on what they're providing to their friends and how they're being perceived by their friends," she says. That can make it feel impossible to decline the trip.

There are also friendship dynamics to consider. Group members might insist that everyone attend every event, so no one is left out, says Ms. Agnew. But that can put people with less disposable income in tough situations and lead them to feel anxious or resentful if they don't stand up for themselves, she says.

Torn between costs

Valerie Spears is invited to three bachelorette parties next year, and she was concerned because she would have to cover her own wedding expenses on top of all of those costs. Ms. Spears, an analyst at a law firm, says she panicked because she didn't want to let her friends down by backing out, but she spoke honestly to the organizers and told them she could contribute after her own wedding and honeymoon were over. She says they were all understanding.

Ms. Spears says there is pressure on the events because they are framed as once-in-a-lifetime occasions. That can make it feel personal when people decline to attend, and she admits initially being hurt when some friends couldn't make her own bachelorette party in Tampa. But then she took a step back and gained a better perspective.

$773

Average cost per person for attending bachelorette parties, typically not including airfare

"It's not that they don't want to support me and be there for me," she says. "They have their own lives."

Many organizers find themselves navigating finances of people they may or may not know, as well as different income levels and interests among the group.

When Ty'Ronie Land was planning her friend's bachelorette party earlier this year, she knew she had to find a rental house in Dallas on the mutually agreed upon September date. It had to be a reasonable cost, but also big enough to accommodate the group of nine women who had expressed interest in coming, including herself and the bride.

Ms. Land, a manager at an IT-support company, found an Airbnb where the total cost would be about $140 per person, with Ms. Land covering the bride's share herself. The other women agreed to the price tag, so Ms. Land made a down payment of more than $600 for the September event.

But in the weeks that followed, when she checked in to get reimbursed, Ms. Land heard radio silence from many of the bridesmaids. Four women ended up dropping out. That meant the cost for the nonrefundable Airbnb would essentially double if Ms. Land couldn't find others to attend.

Plan early

Colin Moynahan, a financial adviser, has worked with clients carrying credit-card debt from wedding-related events ranging from a couple thousand dollars to more than $5,000.

He often hears an urgency about attending the events. "It's more the guilt of, 'I have to do this,' " he says. He suggests outlining expenses as far in advance as possible so people can evaluate whether it is possible to go on the trip and then can set money aside.

If the numbers don't add up, he suggests keeping the bigger picture in perspective. He has helped some clients realize they don't have the budget to travel, and he advises them to keep their broader goals in mind, such as a down payment for a house.

Ms. Agnew suggests giving priority to the wedding day above all else. She suggests saying to the bride, "because it's so important for me to be there for the wedding, I'll do that even if it means sacrificing the party because that's the real celebration."

If you do decide to attend, but have a limited budget, Ms. Agnew suggests practicing the phrase, "I'm not going to go [to a specific event at the party] because I can't afford it." It can be uncomfortable, she says, but others might feel the same about skipping certain activities, and it might not be perceived negatively.

Ms. Land and the bride ended up recruiting four other women for the Dallas bachelorette party, so everyone paid the expected amount for the Airbnb. The group had some drinks at the house instead of bars to save money, and they researched restaurants so they wouldn't be hit with unexpectedly high bills.

Ms. Land says she ended up paying more in gas and decorations than the other attendees, but says she didn't want to inconvenience them by burdening them with bills. The priority was making it a memorable weekend for everyone.

"I knew I had accomplished my goal when she was smiling and she had no voice," Ms. Land says of the bride. "Mission accomplished."

Ms. Pohle is a reporter for The Wall Street Journal in New York. She can be reached at ***allison.pohle@wsj.com.***

Taxes • Tom Herman

Taxes After Marriage: Do You Get a Bonus or A Penalty? How to Tell Where You Land.

Who is affected—and by how much—can be confusing, and depends on a lot of factors

GETTING married may produce unexpected changes in your taxes.

Some two-income couples may owe more in taxes—solely because they get married—than they would on a combined basis if each remained single. As unromantic as this may sound, some couples planning to get married this month or next might discover that postponing the official ceremony until 2023 could result in a significant tax savings for this year. But in other cases, some couples who get married may discover they owe less on a combined basis than if they were still single.

These tax-law twists long have been known as the marriage penalty and the marriage bonus. They continue to exist in many cases and in widely varying degrees despite tax changes enacted in 2017 that included important relief for millions of married couples. Marriage penalties "generally occur when various tax provisions—exclusions, deductions, credits, and tax brackets—for married couples aren't twice the comparable amounts for single filers," say Chenxi Lu and Janet Holtzblatt on the Urban-Brookings Tax Policy Center website.

Marriage penalties 'generally occur when various tax provisions...for married couples aren't twice the comparable amounts for single filers.'

Here are some to consider:

Various factors

• **Tax brackets:** The 37% federal income-tax bracket for married couples filing jointly isn't twice as large as the bracket for singles, says Stephen W. DeFilippis, owner of DeFilippis Financial Group, a wealth management and tax firm in Wheaton, Ill., and also an enrolled agent, which means he is authorized to represent taxpayers at all levels at the IRS.

For the 2022 tax year, the top federal income-tax rate of 37% applies to singles with incomes greater than $539,900. For married couples filing jointly, it applies with incomes greater than $647,850.

• **Tax credit:** Low-income workers may get hit by a marriage penalty because of the intricacies of the earned-income tax credit, or EITC, says Mr. DeFilippis.

• **Net capital losses:** With stock prices down so far this year, many investors may have larger realized capital losses than their realized capital gains. In that case, they typically can deduct as much as $3,000 a year of their net capital losses ($1,500 if married and filing separately) from wages and other income. That $3,000 limit is the same for singles and joint filers. Thus, two singles could deduct net capital losses of as much as $6,000, while joint filers are limited to as much as $3,000.

MIKEL JASSO

• **SALT deduction:** For taxpayers who itemize deductions, the maximum state and local tax (SALT) deduction is $10,000 for both joint filers and singles. So, two singles could deduct as much as $20,000, but joint filers are limited to $10,000. (For those married but filing separately, it's $5,000 each.) This can be especially important for couples who live in high-tax areas, such as New York City, California and New Jersey.

• **Social Security:** The base amount for calculating the taxation of Social Security benefits is $25,000 for unmarried taxpayers and $32,000 for married couples filing jointly, according to John Buchanan of Wolters Kluwer Tax & Accounting U.S.

• **Other zingers:** The tax hit on married couples can be affected by the limits on mortgage-interest deductions as well a 3.8% net investment income tax that applies to many upper-income investors.

• **Location:** Where you live can play a role in how married couples are taxed, says Janelle Fritts, policy analyst at the Tax Foundation in Washington, D.C. Many states have marriage tax penalties embedded in their tax systems, she says. See her report entitled: "*Does Your State Have A Marriage Penalty?*"

Filing status

Married couples can choose to file jointly or as "married individuals filing separate returns" from their spouse. Most married couples file jointly because it's usually more beneficial for tax purposes. Filing separately from your spouse may be beneficial in certain circumstances, including if one spouse has significantly lower income than the other and has very large medical-expense deductions. Filing separately also may be a smart move if you suspect your spouse is a tax cheat and you don't want to be held responsible for that person's taxes, says Bryan Skarlatos of the Kostelanetz LLP law firm in New York City.

How might a couple owe less because of marriage?

The answer varies and depends on the details of each case. One example would be a couple where one spouse has far more income than the other, or where one spouse took home all the income, Mr. Buchanan says. He offers this example: Suppose one taxpayer has income this year of $170,000 and the other has $30,000. If married and filing jointly, they would owe about $3,800 less than they would if each had remained single.

The bonus can be much larger in other cases, says Mr. DeFilippis. Say one person has $200,000 of wage income for this year and the other has zero. The marriage bonus would be about $10,550, he says.

Mr. Herman is a writer in California. He was formerly The Wall Street Journal's Tax Report columnist. Send your comments and tax questions to taxquestions@wsj.com.

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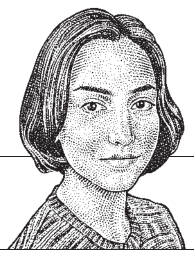
ABBEY LOSSING

Young Money • Francesca Fontana



Every Time I Spent, I Felt Guilty

My financial life was long colored by the debt I imagined I owed to my family

MY grandmother was a storyteller.

Our family's story unfolded like a movie when she told it. My grandparents were born into poverty in a Kentucky coal-mining town. They moved to the big city of Chicago to find work. One took day shifts while the other took nights, working long hours while raising two daughters.

Her story always had a happy ending: They transcended their upbringing and gave their children and grandchildren a better life. I loved to hear her tell that story; I cherished its lessons.

My grandparents imparted other lessons: teaching me how to balance a checkbook, awarding me spending money for each "A" I earned in school (and encouraging me to save it). But I knew their origin story was special. It wasn't a "walking to school uphill both ways" kind of story, meant to underscore their hardships or say we had it easy. My grandmother, Pauline "Polly" Huffman Thacker, wanted me to know where I came from, and to see the world as full of opportunities that were mine for the taking.

Polly died from cancer earlier this year. The disease took its course swiftly, and I returned to their Michigan home to help care for her in her final weeks. I thought a lot about that story, that lesson. I always felt a responsibility to pay back my family for the leg up their hard work gave me in life. I was the first in our family to go to college, to pursue a white-collar career with increased earning potential.

> **My grandmother wanted me to know where I came from, and to see the world as full of opportunities that were mine for the taking.**

Since I graduated, I've had a private ambition that bordered on delusion, and goals that bordered on pipe dreams: to pay off my mother's mortgage, or to fund my brother's bachelor's degree. I wanted to give my family something tangible, a return on their investment; I wanted to take care of them and give them a share of what they gave me. To do anything less was a personal failure, a waste of their sacrifice and my own potential. Melodramatic? Maybe. But that's how it felt.

My grandmother's death brought this guilt to an extreme. She was leaving us, and I couldn't shake the feeling that I hadn't worked hard enough or saved up enough—that all the dividends I hoped to give her would come too late. I had failed.

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I knew this guilt was irrational. Grief and irrationality go hand in hand. Still, the guilt also was a revelation: Never before had I realized the burden I carried around. Looking back, I saw how it colored my financial life and choices.

I worked a full-time salaried job, but it never felt like enough. I devoted all my spare time to side hustles: reselling clothes, selling artwork and—during the pandemic—sewing face masks. I bookmarked gig work listings, "just in case." I was secure in my own financial life, but I needed more.

For years, I refused to buy furniture for my home, opting instead for castoffs I'd find on stoops or free stuff on Craigslist. I spent hours packing up U-Hauls and lugging pieces home. It wasn't until I met my husband, Ryan, that I realized this might not be the norm. He admired my thriftiness, but encouraged me to allow myself some flexibility.

Last year, Ryan and I bought an apartment together. My pride and excitement was dulled by this nagging sense of guilt. We had worked hard, caught some breaks and done what we thought was impossible. So why did I feel bad?

Money and guilt, too, go hand in hand.

An interesting research paper published in 2021 went into this area. In it, co-authors Michael O'Donnell and Ellen Evers examined the ways our spending behavior is shaped by our beliefs of how money should and should not be spent. One example: A person might enjoy the extra leg room on a cross-country flight, but she believes she should not spend on things that aren't really necessities—so she feels guilty. These self-imposed standards don't always align with the choices we ultimately make, and when we violate them we may feel guilt.

I talked to a good friend, who grew up on food stamps and became an Ivy League-educated attorney. Something he said stuck with me. He was familiar with my feeling of financial duty. He forwent graduate studies in history, a lane that appealed to him, for a more lucrative path. His priority was his ability to help support his siblings as they started college and adulthood—his duty.

"It's hard-wired all the way down," he told me. "It's tied to my fundamental sense of self and identity." That was how I felt, too.

So, why did I feel bad?

I felt bad because this feeling of duty had become the ruling standard among the shoulds and should nots by which I judged any money decision I made. Through the mixed-up wires of my emotional brain, I was sent a message, loud and clear: When I spent on myself, on anything from winter clothes to a laptop to a security deposit for a new apartment, I was taking right out of the hands and mouths of the people I loved. Yet the business of living necessitated such purchases, so I judged myself instead. I was left with the resulting guilt.

Irrational? Yes. Melodramatic? Maybe. But I could finally understand it.

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In caring for Polly in her last weeks, as I came face-to-face with my guilt and what was behind it, I finally understood that there was never a debt. Her sacrifices were made out of love and hope for her family; they were not transactional or conditional. What I was able to give her at the end was time, care and comfort. I cherished those days I spent with her. I was able to make my own peace and let the debt go.

I still want to spread the wealth as I continue my financial life. My dream of paying off my mother's house won't die so easily. She doesn't need my help; she runs a successful business. Yet, my sense of duty remains. But now, with the gift of perspective, I can give myself a break.

Instead of trying to make all of my free time profitable, I can rest and take care of myself. Instead of all the rumination, I can appreciate sharing our new home with my family when they come to visit. Instead of scouring Craigslist and trash piles for free bookshelves, I can choose a set that I love, can afford and can enjoy. (And I did.)

When our small family gathered to bury my grandmother in August, we took away the usual insights that come with loss: We vowed to eat right and call more, to take better care of ourselves and each other. I took this one with me, too. When I visit her, I thank her: for her love, her lessons and her stories.

Ms. Fontana is a Wall Street Journal reporter based in New York. She can be reached at francesca.fontana@wsj.com.

The Game Plan

She Bought Her First House. Now She Needs to Start Planning for the Future.

By Demetria Gallegos

Sarah Howison turned the key on her first home earlier this month, something she never thought possible while she was still paying off her student-loan debt. But earlier this year, once she had met the conditions, the Public Service Loan Forgiveness program canceled her more than $40,000 in debt remaining.

Now the 37-year-old children's librarian in Cincinnati jokes about having celebrated the "three minutes of debt freedom between the loans and buying the house." She currently has a $135,000 mortgage with a 7% fixed rate, which she hopes to refinance when rates fall.

Ms. Howison got on track to pay half the 20% down payment—her parents paid the other half—during the pandemic when the government suspended her $300-a-month student-debt payments. Instead of spending that money, she put it aside.

Her main financial asset is 11 years of accruals with the Ohio Public Employees Retirement System which will provide an estimated monthly benefit of $3,577 if she retires at age 55, and up to $5,561 a month if she works until age 67. She also defers compensation in the Ohio 457 plan, which, it is currently estimated, will add another $1,332 a month in retirement income that will be taxed on withdrawal. Both these sources of retirement income will grow, assuming her library salary rises.

Ms. Howison makes about $55,000 a year in gross salary, netting about $2,900 in take-home pay each month after deductions for health insurance and retirement contributions. She will now pay about $1,275 a month in housing costs. Her other monthly expenses total about $1,125.

She hasn't had a credit card in recent years but plans to get one. She has a checking account, with $1,000 left after her closing, and no savings accounts. She wants to pay her parents back for their help with the home purchase.

"I try pretty hard to live within my means, but I'm not very good at putting money in the place where it's going to work best for me," she says.

Advice from a pro: Lynn Chen-Zhang, certified financial planner and CEO of Zhang Financial in Portage, Mich., says Ms. Howison should consider building an emergency fund first to cover some of the things that could go wrong with a home built in 1875. Her budget is lacking in liquidity, but if she can put $500 a month into a savings account she'll have three months' worth of expenses saved in about 15 months.

Then Ms. Howison should begin saving more for retirement. Ms. Chen-Zhang suggests opening up a Roth individual retirement account and making monthly automated deposits. She says a "side hustle" like renting out a room, using her research skills as a freelance editor or writer, or delivering restaurant meals could help boost Ms. Howison's savings.

If Ms. Howison obtains a credit card for recurring monthly expenses, that will begin building her credit score with banks and lenders for any future endeavors, while avoiding credit-card debt.

Ms. Gallegos is a news editor for The Wall Street Journal in New York. She can be reached at demetria.gallegos@wsj.com.

Sarah Howison can increase her budget's liquidity by building up emergency savings.

JOHN HOWISON